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ELEVENTH ANNUAL GENERAL REPORT  
OF THE COUNCIL  
OF THE  
CORPORATION OF FOREIGN  
BONDHOLDERS.

*Incorporated on the First of August, 1873,  
By Licence of the Board of Trade.*

---

FOR THE YEAR 1883.

---

TO BE SUBMITTED TO THE  
GENERAL MEETING OF MEMBERS OF THE  
CORPORATION

CONVENED FOR  
THE 19<sup>TH</sup> OF FEBRUARY, 1884, AT 2.30 O'CLOCK P.M.

*At the Councilhouse, 17, Moorgate Street,  
in the City of London.*

---

LONDON:  
COUNCILHOUSE, No. 17, MOORGATE STREET,  
FEBRUARY, 1884.

## MEMBERS OF THE COUNCIL.

---

RIGHT HON. EDWARD PLEYDELL-BOUVERIE, *Chairman.*

SIR JOHN LUBBOCK, BART., M.P., F.R.S., } *Deputy*  
RICHARD BIDDULPH MARTIN, ESQ., M.P., } *Chairmen.*

GENERAL SIR GEORGE BALFOUR,  
K.C.B., M.P.

FRANCIS BENNOCH, ESQ.

RIGHT HON. G. A. F. CAVENDISH  
BENTINCK, M.P.

LIONEL N. BONAR, ESQ.

THE RIGHT HON. R. BOURKE, M.P.

HYDE CLARKE, ESQ.

JOHN HENRY DANIELL, ESQ.

ROGER EYKYN, ESQ.

W. R. FARQUHAR, ESQ.

THE RIGHT HON. LORD KINNAIRD.

THE HON. H. D. RYDER.

T. W. SNAGGE, ESQ.

CORNELIUS SURGEY, ESQ.

GEORGE CAVENDISH TAYLOR, ESQ.

WILLIAM TROTTER, ESQ.

SIR HENRY W. TYLER, M.P.

LT.-GENERAL J. L. VAUGHAN, C.B.

T. M. WEGUELIN, ESQ.

### Consulting Secretary.

HYDE CLARKE, ESQ.

### Secretary.

CHARLES O'LEARY, ESQ.

### Solicitors.

Messrs. TRAVERS SMITH & BRAITHWAITE.

Messrs. NORTON, ROSE, NORTON & CO.

### Notary.

WILLIAM GRAIN, ESQ.

### Auditors.

Messrs. COOPER, WINTLE & CO.

### Bankers.

Messrs. ROBERTS, LUBBOCK & CO.

# The Corporation of Foreign Bondholders.

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## NOTICE OF GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the TWELFTH ORDINARY GENERAL MEETING of the CORPORATION OF FOREIGN BONDHOLDERS will be held at the COUNCILHOUSE, No. 17, Moorgate Street, in the City of London, on TUESDAY, the 19th day of FEBRUARY, 1884, at Half-past Two o'clock p.m., for the following purposes :—

- (1.) To consider the Report of the Proceedings of the Council, and the Statement of Accounts made up to the 31st December, 1883.
- (2.) To elect four Members of the Council, in the place of Sir George Balfour, the Right Hon. E. P. Bouverie, Mr. F. Bennoch, and Mr. T. M. Weguelin, who retire by rotation, but, being eligible, offer themselves for re-election.
- (3.) To elect Auditors for the ensuing year. Messrs. Cooper, Wintle & Co., the retiring Auditors, offer themselves for re-election.
- (4.) To transact all such other business as may be transacted at Ordinary Meetings of the Corporation, and to pass Resolutions thereon.

By Order of the Council,

CHARLES O'LEARY,

*Secretary.*

COUNCILHOUSE,

17, MOORGATE STREET, E.C.

12th February, 1884.

# CONTENTS.

---

|                                                  | PAGE |
|--------------------------------------------------|------|
| <b>REPORT</b> . . . . .                          | 5    |
| <br><b>APPENDIX :—</b>                           |      |
| Function and Powers Committee Report . . . . .   | 13   |
| Argentine 9 per Cent. Treasury Bonds . . . . .   | 16   |
| Colombia . . . . .                               | 19   |
| Costa Rica . . . . .                             | 21   |
| Ecuador . . . . .                                | 24   |
| Egypt . . . . .                                  | 26   |
| Greece . . . . .                                 | 42   |
| Guatemala . . . . .                              | 42   |
| Honduras . . . . .                               | 65   |
| Louisiana . . . . .                              | 66   |
| Mexico . . . . .                                 | 67   |
| Mississippi . . . . .                            | 69   |
| Paraguay . . . . .                               | 71   |
| Peru—Pisco to Yca Railway Loan of 1869 . . . . . | 73   |
| Santo Domingo . . . . .                          | 80   |
| Spain . . . . .                                  | 81   |
| Tennessee . . . . .                              | 87   |
| Turkey . . . . .                                 | 88   |
| Uruguay . . . . .                                | 95   |
| Venezuela . . . . .                              | 104  |
| Virginia . . . . .                               | 110  |
| Library . . . . .                                | 114  |

# ELEVENTH REPORT

OF THE

## CORPORATION OF FOREIGN BONDHOLDERS.

---

### ELEVENTH ANNUAL REPORT.

1. The Council beg leave to submit to the Members of the Corporation the accounts of the past year, which are of a favourable character. As the result shows a sufficient balance to the credit of the Corporation, the Council have determined that there shall be a drawing of 103 certificates, which will leave only 120 still unpaid.

2. There has been a considerable amount of active negotiation respecting the Debt of some of the States in default; but the only arrangement finally concluded during the past year has been one with the State of Uruguay, which has agreed to resume payment of its External Debts under conditions publicly agreed to by the Bondholders in November last. Previously to this, a Committee of Bondholders of the Republic had been appointed to act in conjunction with, and in accordance with the rules of

the Corporation, to whom those conditions were submitted, and by whom they were recommended for adoption by the Bondholders. The Council trust that this arrangement may prove to be of a permanent and satisfactory character.

3. The transactions with the Spanish American States will be found recorded in the separate Reports in the Appendix. To the information thus afforded there is little to add—little at least of an entirely satisfactory nature. The long list of defaulting States which has figured in previous Reports, still remains undiminished, with the single exception of Uruguay, already mentioned. In other instances, and notably in the case of Mexico, some progress has been made towards the settlement of long neglected claims. This Republic, after years of total estrangement, has at last consented to accord a hearing to the Bondholders, and although the negotiation initiated last spring between the Committee and an Agent of the Mexican President is still far from complete, a basis of arrangement was then agreed to by both parties, which may lead to a definitive settlement of this important Debt.

4. There have been verbal communications with the Fiscal Agent of Colombia, which seem likely to lead to an accord, both as to the extent of the liabilities of the State, and the nature of the security to be given to the Bondholders. The progress of any negotiation has for the moment been suspended, at the request of the Colombian Government, until the arrival of the newly-appointed Minister to England, who, the Council has been assured, will be the bearer of definite instructions and ample powers to conclude an arrangement.

5. The Guatemala Government, on the other hand, has taken a retrograde step. Although the President approved of the formal agreement proposed by the Government to

the Bondholders, and concluded with its own Minister, the Legislature supported their Financial Commission in refusing to adopt it. Negotiations are still being carried on between the Committee and the Government, and the Committee have offered to make important concessions to the Government as to arrear coupon and a Sinking Fund, yet it cannot be said that the prospects of an early arrangement have been rendered more probable by the repudiation of the Agreement in question.

6. The condition of affairs with Costa Rica is scarcely more satisfactory. Without the knowledge of, and certainly without previous consultation with, the Bondholders or their representatives, the Government of that State has entered into a contract with a private individual for the completion of the Railway, which is to place the interior of the country in communication with the Atlantic seaboard. In this contract, and incidentally as it were, arbitrary bases are laid down for the settlement of the Foreign Debt, salient among which figures a stipulation that the payment of any interest is to be deferred until the Internal Debt is extinguished. It is superfluous to observe that an arrangement so thoroughly unsatisfactory has not been accepted, or even thought deserving of discussion; and an intimation to that effect having been conveyed to the Government and the Contractor, it is understood that a more equitable proposal is likely to be made. The Government and Contractor are conscious of the fact that no great progress can be made with the Costa Rican Railway, and no money raised for its early completion without a previous understanding with the Bondholders, to whom the line is already hypothecated.

7. The augmentation of the interest on the Venezuela Debt from 3 to 4 per cent., as conditionally stipulated in the last Convention, has formed the subject of much

recent correspondence, but without any immediate result, as the terms upon which an Act of the Congress made the increase contingent could not be immediately realized. The rate of interest remains, therefore, and will remain, unaltered and at the lower rate, until, by the gradual development of trade, the product of the quotas of Import Duties, assigned for the service of the External and Internal Debts, reaches the amount required to cover the additional one per cent. In the meantime it should in justice be observed, that the Government fulfils the obligation to pay 3 per cent. with praiseworthy punctuality.

8. The disturbed condition of Ecuador has rendered any attempt to settle the Debt well nigh hopeless; but peace having been lately restored, and a constitutional *régime* re-established, a serious endeavour must shortly be made to renew negotiations with that object. Considering the smallness of the amount required to be paid by the Government to meet their obligations to the Bondholders, and considering, too, the enlightened character of the new President, a reasonable expectation may be entertained that such negotiations will be attended with some success.

9. Some informal negotiations were not long ago commenced to bring about the settlement of the Foreign Debt of Santo Domingo, but these ended in no definite result. Santo Domingo, in common with many States, whose payments have been suspended, appears to be anxious to raise foreign loans for the construction of Railways, the promotion of Banks, and other public enterprises much needed for the development of the great natural resources of the country. The object is most important to the prosperity of the Republic; but such schemes cannot be placed on the English Money Market without the consent

of the Bondholders. The Council are persuaded that unless defaulting Governments are made to understand clearly the injurious consequences to themselves of their exclusion from the English Money Market, all attempts to induce them to settle old Debts will be more or less futile. The indebtedness of the defaulting Hispano-American States amounts with arrears of interest to a grand total of upwards of £100,000,000 sterling, which demonstrates the importance of this branch of the subject, under the purview of the Council.

10. The funds contributed by the Bondholders of Virginia for the assertion and defence of their rights in the Courts of the United States have enabled the Committee to prosecute the work assigned to them for that object with diligence and effect. The litigation has been tedious and expensive, but as far as it has gone, the result has justified the legal steps taken on behalf of the Bondholders, and encourages the Council to hope that their cause will be successfully vindicated.

11. In spite of various difficulties which have arisen in working the arrangement of 1882 of the Turkish Debt, the Council are glad to be able, on the whole, to present a satisfactory Report to the Bondholders.

12. In September, 1883, Mr. Edgar Vincent was appointed European Financial Adviser to the Egyptian Government. No better proof could be given, than this choice, of the eminent ability and zeal which he had displayed at Constantinople in the service of the Bondholders; and this Council may justly congratulate themselves on the selection they made of the English Representative. Very great difficulties had to be met and overcome at the outset of the administration; and it may safely be said that it was chiefly by the able exertions of Mr. Edgar Vincent that the greater part of these difficulties vanished,

and that the machine of Administration was so rapidly set in working order.

13. Mr. Edgar Vincent left Constantinople on October 6th. On October 17th Mr. Vincent Caillard was elected his successor as English and Dutch representative, and, by request of the Belgian Bondholders, subsequently consented to represent their interests also.

14. The Council have had every reason to be completely satisfied with the important services which Mr. Caillard has rendered to the Bondholders since his appointment.

15. The Council have had under their consideration the case of the holders of Turkish Bonds of the Loans of 1863, 1865, and 1873, drawn before the default, but remaining unpaid. It was decided at a conference, held at the Councilhouse, of some gentlemen largely interested in these securities, to obtain French and English legal opinions as to the liability to the holders of the issuing houses and the Agents having charge of the payment of drawn Bonds, and the chances of success of a suit to obtain redress in accordance with both English and French law. It is also thought that recourse should be had, through the medium of the Council of Administration at Constantinople, to the Imperial Ottoman Government, to whom the money due on these Bonds was credited, and application to that effect will be made.

16. The Committee on the Functions and Powers of the Corporation, appointed at the last General Meeting, have issued a Report, which will be found in the Appendix.

17. In compliance with the provisions of the Articles of Association, General Sir George Balfour, the Right Honourable Edward Pleydell-Bouverie, Mr. Francis Bennoch, and Mr. T. M. Weguelin retire from the Council by rotation, and, being eligible, offer themselves for re-election.

18. The Council regret to announce a vacancy has oc-

curred in its numbers during the past year, owing to the death of Sir E. H. Scott. This has been filled, under the provisions of the Articles, by the election of Mr. Hyde Clarke, on his retirement from the more active duties of the Secretariat.

Mr. Hyde Clarke has been closely connected with the work for which the Corporation was established, ever since the idea was first started, nearly twenty years ago, of the formation of an association for the protection of the interests of Bondholders of Foreign States, and has acted as the Secretary, not only of the present Corporation since its formation in 1873, but also of the Association for the same object which preceded it.

The Council have arranged that Mr. Clarke, whilst resigning after so long service the more laborious duties of the position he has hitherto occupied, shall continue to give his assistance in an office which, though involving less continuous attendance, may be of not less responsibility and value to the Corporation, and will give them the benefit of his long experience; and they have accordingly, in addition to electing him to a seat on the Council, appointed him, under the provisions of the articles, as Consulting Secretary under the following resolution:—

“That Mr. Hyde Clarke be appointed Consulting Secretary of the Corporation at the salary of £600 per annum, and that the duties of the office shall comprise such as may from time to time be determined by the Council, and shall comprise attendance at the Council House whenever required, and at least once every week without special notice, attendance at such Committees acting with the Council at which his presence shall be requested, and the furnishing from time to time such information, assistance, and advice, and the preparation of such reports, and the undertaking of such special services in connection with

“the business of the Corporation as may be required of  
“him.”

19. Mr. Charles O’Leary has been appointed the General Secretary of the Corporation. This arrangement results in a net decrease in the annual charge for the staff, as compared with that hitherto paid, of £300.

20. Messrs. Cooper, Wintle, and Co., the retiring Auditors, also offer themselves for re-election.

*February 12th, 1884.*

E. P. BOUVERIE,

*Chairman.*

CHARLES O’LEARY,

*Secretary.*

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## APPENDIX TO REPORT.

### REPORT OF THE COMMITTEE ON THE CORPORATION FUNCTIONS AND POWERS.

W. H. Bishop, Esq., *Chairman.*

F. Bennoch, Esq.

L. N. Bonar, Esq.

Right Hon. E. P.-Bouverie.

L. Cohen, Esq.

Robert Giffen, Esq.

G. Herring, Esq.

Sir J. McKenna, M.P.

R. B. Martin, Esq., M.P.

A. W. Ray, Esq.

Walter Wren, Esq.

At the last General Meeting of the Corporation an understanding was come to by way of compromise between parties, that a Joint Committee should be appointed by the Council "to consider whether any, and if any, what changes should be made in the Corporation in order to assure its permanent efficiency and the due carrying out of the objects with which it was instituted and established."

In due course it was resolved by the Council to appoint a Committee on the basis laid down, "with full powers for the objects designated," and certain Members of the Corporation were invited to serve upon the Committee. Owing to scarcely avoidable delays no meeting of the Committee took place till July, 1883, when a general sketch or plan of organisation was suggested by the Chairman of the Committee on the following basis:—

1.—That a provision should be devised for the occasional distribution of surplus assets in excess of a certain fixed

Capital Fund ; with the object of securing the future regular attendance of permanent Members at General Meetings, as well as their control of the funds belonging to the Corporation.

2.—That a system should be framed for the constitution of Permanent Committees as nearly as possible representative of the English holders of loans of each separate Foreign State, with the object of keeping vigilant watch over the interests of their Constituents, by whom they should be approved, and authorised.—

(a.) To act in conjunction with the Council of the Corporation.

(b.) To apply to the Council for pecuniary advances when needful, in the interests of Bondholders ; and, for the services of their Agents abroad.

3.—That the Committees thus constituted should organise a system of support, as nearly as practicable, by contributions according to the votes of Bondholders in public meeting assembled.

After the close of the holidays, at a Meeting of the Committee (the deaths of two of its Members having given occasion to further delay), the proposal of the Chairman for dealing with surplus assets was met by a Resolution declaring discussion upon that subject premature.

At a subsequent Meeting it was resolved to urge upon the Council the desirability of paying off the balance due to holders of permanent Certificates at the earliest possible period.

Owing, therefore, to discussions upon the financial question, the necessity of completing the liquidation of the debt due to permanent Members is the one point upon which a decision has been taken and expressed in the Resolution referred to.

The Resolutions agreed to by the Committee are given in detail, and it is the desire of its Members to avail themselves of the final full constitution of the Committee to devise, during the current year, a system of support by the various sections of the Bondholders, for whose advantage the Corporation was originally designed and established.

RESOLVED :

“That in the opinion of this Committee it is not now necessary to consider the question of the Surplus Fund.”

RESOLVED :

“That in the opinion of this Committee it is expedient and desirable that the balance of the outstanding Loan Certificates be paid off at the earliest date, and that the Resolution of this Committee be communicated to the Council.”

W. H. BISHOP,

*Chairman of Committee.*

# ARGENTINE NINE PER CENT. TREASURY BONDS.

|                                   |                    |
|-----------------------------------|--------------------|
| Original amount issued ... ..     | \$5,996,450        |
| Amount drawn to October, 1883 ... | 600,650            |
| Balance ... ..                    | <u>\$5,395,800</u> |

## Committee of Argentine Nine per Cent. Treasury Bondholders.

|                                                           |                            |
|-----------------------------------------------------------|----------------------------|
| The Right Hon. E. Pleydell-<br>Bouverie, <i>Chairman.</i> | Roger Eykyn, Esq.          |
| D. Baily, Esq.                                            | F. G. Horne, Esq.          |
| E. H. Bayley, Esq.                                        | General C. H. Morris, C.B. |
| J. C. Bayley, Esq.                                        | F. H. Williams, Esq.       |
| F. Bennoch, Esq.                                          | <i>Secretary.</i>          |
| D. B. Crawshay, Esq.                                      | Hyde Clarke, Esq.          |

During the early months of 1883 the Council and the Committee of Argentine 9 per Cent. Treasury Bondholders endeavoured to negotiate with the Argentine Government with the object of inducing them to continue the redemption of these Bonds by tender as hitherto, and not by drawings at par, as decreed by the law of the 10th February, 1882.

But in March, 1883, the first drawing was held at Buenos Ayres, when Bonds to the extent of \$450,750 were redeemed, this sum representing nine quarterly drawings of one per cent. each for the four quarterly periods of 1881, the four quarters of 1882, and the quarter ending 31st March, 1883.

No official notification of this drawing was made through the English Press, and the Council therefore, on learning that it had taken place, informed the Bondholders of it through the Press, and at the same time suggested that the holders of Bonds so drawn should abstain from

accepting repayment of them pending further representations to the Argentine Government.

On the 12th April the Chairman telegraphed, on behalf of the Committee, to the President, protesting against the payment of the drawn Bonds, and this was followed on the 13th April by a despatch from the Council to the same effect, and requesting the Government to discontinue holding the drawings at par, as being an infringement of the rights of the Bondholders and prejudicial to the credit of the Republic.

No answer was, however, given either to this communication or to subsequent ones, and the Council therefore solicited the assistance of the English Foreign Office, who requested their representative in Buenos Ayres to press the Government for a reply.

None has as yet been received, and in the meantime the drawings have been made regularly during every quarter as follows:—

|                             |     |     |     |          |
|-----------------------------|-----|-----|-----|----------|
| For the 2nd quarter of 1883 | ... | ... | ... | \$49,950 |
| For the 3rd quarter of 1883 | ... | ... | ... | \$50,000 |
| For the 4th quarter of 1883 | ... | ... | ... | \$49,950 |

The internal prosperity of the country has rapidly increased during the last two years, the value of land having risen in an especial degree.

Railways are being rapidly developed, and many other evident signs of progress are to be noticed.

A Government Scheme for the conversion of the existing Loans into a Unified 5 per Cent. Debt was during the past year laid before Congress, and by them referred to a special Committee. The report of this Committee was, however, unfavourable to the Scheme, and the Bill was accordingly rejected by the Congress.

A Bill was also laid before Congress in which it was

proposed that the Argentine Government should raise a Loan of \$80,000,000 in Bonds of 5 per cent. Interest and 1 per cent. Sinking Fund, for the construction of certain Public Works and Improvements. After various modifications the Congress finally decreed the raising of \$32,000,000 in 5 per Cent. External Bonds.

On the 7th of August, 1883, the Legislature of the Province of Buenos Ayres authorized the construction of a Port and Harbour at Ensenada, and the issue of a Loan of \$11,000,000 for that purpose. Accordingly in October 1883, subscriptions were invited in this market by Messrs. Morton, Rose and Co., and also in Paris, for £2,254,100 Bonds bearing 6 per cent. Interest and 1 per cent. Sinking Fund.

On the 1st October, 1883, the paper dollar in Buenos Ayres was abolished, and in future the currency of the country is to be coin only.

A Report issued by Mr. Dering, the Secretary of the British Legation at Buenos Ayres, on the Trade and Finances of the Argentine Republic for 1882, fixes the value of the Imports for that year at £11,854,074,—and of the Exports at £11,688,200. Statistics are given showing the great increase of trade which is taking place in the country.

The following are stated by another authority to be the Returns for the first half-year of 1883, as against those for the same period of 1882:—

|                | 1882.               | 1883.               |
|----------------|---------------------|---------------------|
| Imports ... .. | \$23,295,000        | \$30,246,000        |
| Exports ... .. | 28,592,000          | 24,983,000          |
| Total ... ..   | <u>\$51,887,000</u> | <u>\$55,229,000</u> |

COLOMBIA, UNITED STATES OF  
(NEW GRANADA).

STATEMENT OF COLOMBIAN  $4\frac{3}{4}$  PER CENT. EXTERNAL  
DEBT OF 1873.

|                                                   |     |     |                   |                   |
|---------------------------------------------------|-----|-----|-------------------|-------------------|
| Original Amount                                   | ... | ... | ...               | £2,000,000        |
| Bonds drawn and paid off previously<br>to default | ... | ... | ...               | 86,500            |
| Bonds outstanding                                 |     |     |                   | <u>£1,913,500</u> |
| <i>Arrears of Interest.</i>                       |     |     |                   |                   |
| Balance of Coupon No. 26. at 1s. 9d.              |     |     | £                 | s. d.             |
| per cent. ...                                     | ... | ... | 1,679             | 18 3              |
| 18 Coupons, Nos. 27 to 44 both<br>inclusive       | ... | ... | 409,010           | 12 6              |
| Coupon Certificates                               | ... | ... | 8,665             | 0 0               |
| Total                                             | ... |     | <u>£419,355</u>   | <u>10 9</u>       |
| Principal of Debt                                 | ... |     | £1,913,500        | 0 0               |
| Arrears of Interest                               | ... |     | 419,355           | 10 9              |
| Grand Total                                       |     |     | <u>£2,332,855</u> | <u>10 9</u>       |

Colombian Committee.

The Right Hon. E. Pleydell-  
Bouverie, *Chairman.*  
L. N. Bonar, Esq.  
Roger Eykyn, Esq.  
L. R. Lack, Esq.  
Charles O'Leary, Esq.  
Christopher Rowlands, Esq.  
G. N. Strawbridge, Esq.  
C. Surgey, Esq.  
Genl. J. L. Vaughan, C.B.

E. Wright, Esq.

*Secretary.*

Hyde Clarke, Esq.

*Bankers for the  $4\frac{3}{4}$  % Loan.*

London and County Bank.

*Agent at Bogotá.*

His Excellency J. P. Harriss-  
Gastrell, H.B.M.'s Minister  
Resident.

The Council regret that they are obliged to report that another year has passed without any decided step being taken by Colombia to restore her credit in this country, and that no serious attempt has been made to resume payment on the External Debt.

Some months since a Special Commissioner was sent to Europe to open negotiations, one object of his Mission being to obtain, if possible, a Loan for the carrying out of railway works, of which Colombia stands much in need. He has now, however, been recalled, and the negotiations towards which an approach was made by him, for an arrangement of the  $4\frac{3}{4}$  per Cent. Debt, are consequently at a standstill pending the arrival of his successor, who, the Council learn from an authentic source, has been appointed as Minister Plenipotentiary to this country, and who, it is stated, will bear all the necessary instructions for negotiations to effect an arrangement.

On the 1st of January, 1884, the number of Coupons due amounted to eighteen, Nos. 27 to 44 inclusive, besides the unpaid balance of 1s. 9d. per cent. on Coupon No. 26 of the 1st July, 1879.

The amount of the External Debt still outstanding is £1,913,500, and the total of Interest in arrear has increased during the past year to the sum of £410,690 10s. 9d., irrespective of Certificates in circulation.

The grand total of the  $4\frac{3}{4}$  per Cent. Debt, principal and interest, reaches the sum, therefore, of £2,324,190 10s. 9d.

|                                                     |     |     |     |     |             |
|-----------------------------------------------------|-----|-----|-----|-----|-------------|
| According to the Budget recently passed by Congress |     |     |     |     |             |
| the receipts for the last fiscal year were          | ... |     |     |     | \$6,244,000 |
| and the Expenditure                                 | ... | ... | ... | ... | 6,744 000   |

|                                |     |     |  |  |                  |
|--------------------------------|-----|-----|--|--|------------------|
| Showing an apparent deficit of | ... | ... |  |  | <u>\$500,000</u> |
|--------------------------------|-----|-----|--|--|------------------|

## COSTA RICA.

## STATEMENT OF EXTERNAL DEBT.

*Six per Cent. Loan of 1870.*

|                        |                                   |                   |
|------------------------|-----------------------------------|-------------------|
| Amount outstanding ... | ...                               | £941,200          |
| Interest overdue       |                                   |                   |
| 20 Coupons             | 1st Nov., '74 }<br>1st May, '84 } | ... 564,720       |
| Total                  | ...                               | <u>£1,505,920</u> |

*Seven Per Cent. Loan of 1872.*

|                        |                                      |                        |
|------------------------|--------------------------------------|------------------------|
| Amount outstanding ... | £1,460,100                           | 0s.                    |
| Interest overdue       |                                      |                        |
| 21 Coupons             | 1st April, '74 }<br>1st April, '84 } | 1,073,173 10s.         |
| Total                  | ...                                  | <u>£2,533,273 10s.</u> |

|                                |            |      |
|--------------------------------|------------|------|
| Total 6 per cent. Loan of 1870 | £1,505,920 | 0s.  |
| „ 7 „ „ 1872                   | 2,533,273  | 10s. |

Grand Total of Debt ... £4,039,193 10s.

**Seven per Cent. Costa Rica Committee.**

|                                                              |                                        |
|--------------------------------------------------------------|----------------------------------------|
| The Right Hon. E. Pleydell-<br>Bouverie, <i>Ex-officio</i> . | L. Harrison, Esq.                      |
| G. Barham, Esq.                                              | W. J. Harvey, Esq.                     |
| Francis Bennoch, Esq.                                        | J. Cooke Harker, Esq.                  |
| E. Lennox Boyd, Esq.                                         | Geo. Herring, Esq.                     |
| U. R. Burke, Esq.                                            | T. Hobday, Esq.                        |
| T. Cave, Esq.                                                | Saul Isaac, Esq.                       |
| James Cooper, Esq.                                           | G. A. King, Esq.                       |
| T. Dowling, Esq.                                             | J. M. Louis, Esq.                      |
| W. E. Duncan, Esq.                                           | J. F. Lovering, Esq.                   |
| Roger Eykyn, Esq.                                            | H. Price, Esq.                         |
| W. Godfrey, Esq.                                             | A. W. Ray, Esq.                        |
| R. Grant, Esq.                                               | Thomas Sidney, Esq., Alderman.         |
| G. de G. Griffith, Esq., M.D.                                | H. Skynner, Esq.                       |
| Wm. Griffith, Esq.                                           | C. H. Stewart, Esq.                    |
| G. D. Harris, Esq.                                           | <i>Secretary.</i><br>Hyde Clarke, Esq. |

**Seven per Cent. Costa Rica Sub-Committee.**

The Right Hon. E. Pleydell-  
 Bouverie, *Ex-officio*.  
 G. Barham, Esq.  
 F. Bennoch, Esq.  
 U. R. Burke, Esq.  
 T. Cave, Esq.  
 W. Godfrey, Esq.  
 L. Harrison, Esq.

G. Herring, Esq.  
 S. Isaac, Esq.  
 J. F. Lovering, Esq.  
 A. W. Ray, Esq.  
 C. H. Stewart, Esq.  
  
*Secretary.*  
 Hyde Clarke, Esq.

**Six per Cent. Costa Rica Committee.**

G. T. Rait, Esq., *Chairman*.  
 The Right Hon. E. Pleydell-  
 Bouverie, *Ex-officio*.  
 Tudor Crawshay, Esq.  
 F. Freeman, Esq.  
 N. Levy, Esq.

J. Procter, Esq.  
 H. Staples, Esq.  
  
*Secretary.*  
 Hyde Clarke, Esq.

**Joint Sub-Committee of Conference.**

The Right Hon. E. Pleydell-  
 Bouverie, *Ex-officio*.  
 G. Barham, Esq.  
 F. Bennoch, Esq.  
 T. Cave, Esq.  
 F. Freeman, Esq.  
 L. Harrison, Esq.  
 G. Herring, Esq.

Saul Isaac, Esq.  
 G. T. Rait, Esq.  
 A. W. Ray, Esq.  
 H. Staples, Esq.  
 C. H. Stewart, Esq.  
  
*Secretary.*  
 Hyde Clarke, Esq.

The Council and the Committees were not without hope that after the refusal of the Congress of Costa Rica to ratify the Agreement made with the Bondholders by the late President Guardia, some attempt would have been made by that Government to re-open negotiations with the Bondholders for an arrangement of the Debt. In July, 1883, the Council received a copy of the Official Gazette of Costa

Rica, dated 6th May, 1883, containing a proposal from Mr. Minor C. Keith, the Contractor for the Railroad, to the Government for the completion of the line to San José, and for the settlement of the External Debt of the Republic.

The principal points of the proposed arrangement were as follows :—

Mr. Keith to finish the Railway, offering the Bondholders the following terms :—For each existing Bond a new one to be issued, at the rate of £136 per £100 for the 6 per cent. Loan, and £138 for the 7 per cent. Loan bearing  $2\frac{1}{2}$  per cent. interest, secured on the Customs Receipts after the Internal Debt had been paid off, or in about 4 years. The interest to be funded until that date. The Bondholders to give up their lien on the Railway.

This proposal was laid before the Committees of the 6 per Cent. and 7 per Cent. Bondholders, separately, at meetings specially convened to consider it, and each Committee unanimously resolved to have nothing whatever to do with such a scheme.

This decision was accordingly made known to the President of Costa Rica, and also to Mr. Keith, by the next mail.

Shortly after, an Official Gazette of the 14th July, 1883, was received, which contained the terms of the contract as drawn up between Mr. Keith and the Government.

The Minister of Finance, in reply to the despatches informing the Government of the Resolutions of the Committees, under date of the 17th of September, expressed the hope of the President that the Committees would defer giving a definite opinion upon the Contract until they had had an opportunity of discussing it with Mr. Keith.

Mr. Keith has since arrived in England; but, after a short stay here, he has returned, without making any proposal, to Costa Rica for a brief period, in the hope

that he may be able to return, with power to make some satisfactory arrangement with the Bondholders.

It is understood that the Government are quite without funds to complete the Railroad, the cost of which is estimated at about £900,000.

That section of the Railroad, between Limon and Rio Sucio, which is already completed and in working order, has been kept, it is reported, in fairly good condition, and additions have also been made to the rolling stock. The traffic is reported to be fully equal to what was anticipated.

The coffee crop was expected to be abundant, the probable yield being estimated at 250,000 to 275,000 quintals.

The finances of the country are thus set forth in the Report of the Minister of Finance to Congress :—

From August 1st, 1882, to April 30th, 1883.

|              |     |     |             |              |
|--------------|-----|-----|-------------|--------------|
| Revenue      | ... | ... | \$1,550,019 |              |
| Expenditure  | ... | ... | 2,796,468   |              |
|              |     |     | <hr/>       | thus showing |
| a Deficit of | ... | ... | \$1,246,448 |              |

This deficit, however, the Minister of Finance explained, was not caused by increased expenditure on the part of his Government, but was the result of debts left by the last Administration, which had been since funded into Bonds of the Internal Debt.

## ECUADOR.

### STATEMENT OF EXTERNAL DEBT.

|                                  |     |     |            |
|----------------------------------|-----|-----|------------|
| Amount of Principal outstanding  | ... | ... | £1,824,000 |
| Interest overdue 32 Coupons (1st |     |     |            |
| May, 1868, to 1st November,      |     |     |            |
| 1883), at 1 per cent. per annum  | ... | ... | 291,840    |
|                                  |     |     | <hr/>      |
| Total Debt on 1st January, 1884  | ... | ... | £2,115,840 |

### Ecuadorian Committee.

|                                                      |                                                   |
|------------------------------------------------------|---------------------------------------------------|
| Rt. Hon. E. Pleydell-Bouverie,<br><i>Ex-officio.</i> | Admiral of the Fleet, Sir<br>Provo Wallis, G.C.B. |
| F. Bennoch, Esq.                                     | Ed. Wright, Esq.                                  |
| L. N. Bonar, Esq.                                    | <i>Secretary.</i>                                 |
| E. Haslewood, Esq.                                   | H. Schirges, Esq.                                 |

The revolutionary movement which was commenced in 1882 having proved successful by the capture of Quito, General Veintemilla, the former President and Dictator of Ecuador, was obliged to leave that city, and a Provisional Government was established there.

Guayaquil was now the only town left open to General Veintemilla, and eventually, on the 9th of July, 1883, this was also captured.

Señor Pedro Carbo was immediately proclaimed Chief of the Government at Guayaquil, and was invested with full powers to act. It was also decided to hold a National Convention at Quito on the 9th of October, 1883, to adopt a new Constitution and elect a President.

This was accordingly held, and the 900 electors present nominated Don José Caamano as Provisional President. He was afterwards formally elected, and assumed his office in Quito on the 22nd November, 1883.

It was scarcely to be expected that, in the disturbed condition in which Ecuador has found herself during almost the whole of the past year, any proposals for the arrangement of the External Debt would be made to the Bondholders; but there is now room for hope that a settled Government being established, some steps may be taken by the new Administration to recognise the claims of their English creditors.

Señor Pedro Carbo is believed to be favourably inclined to the adoption of this course, and it is hoped that his influence will be sufficient to recommend it to his colleagues of the Government.

The production of cocoa for 1882 is reported to have been about 204,060 quintals, which is what it was estimated at.

The total value of exports from Ecuador during the same year was \$1,283,043.

There are no reliable returns at present available for 1883, but it is stated that the shipments of cocoa from Guayaquil during the six months from the 1st March to the 1st September amounted to 12,679,862 lbs., being an increase of 2,184,239 lbs. over the same period of 1882. This is to be attributed, however, in a measure, to the stocks in hand in the interior having accumulated, transport to the coast being very difficult, owing to the movements of the revolutionary troops.

The following are the latest available returns of the cocoa crop :—

Receipts at Guayaquil from 1st January to 30th November, 1883, 13,872,536 lbs., against 17,731,907 lbs. for the same period of 1882, showing a difference of 3,859,371 lbs. in favour of 1882.

#### EGYPT.

|                          |                |     |             |
|--------------------------|----------------|-----|-------------|
| Unified Debt outstanding | January, 1884  | ... | £55,993,260 |
| 5% Preference Debt       | do.            | do. | 22,367,800  |
| 5% State Domain Debt     | do.            | do. | 7,798,040   |
| Daira Sanieh             | October, 1883  | ... | 8,871,700   |
| Indemnity Claims allowed | February, 1884 | ... | 3,470,000   |

The Council have again to thank the Commissioners of the Public Debt for the regularity with which they have furnished the monthly returns of the sums derived from the Revenues applicable to the service of the Unified and Preference Stocks, thereby enabling them to communicate the same to the Press for the information of the Bondholders.

The following tables exhibit the receipts for the year 1883 :—

**MONTHLY RETURNS OF RECEIPTS ON ACCOUNT OF THE  
PUBLIC DEBT FOR THE YEAR 1883.**

| MONTHS.           | UNIFIED DEBT.       |        |                              |                                                                  |
|-------------------|---------------------|--------|------------------------------|------------------------------------------------------------------|
|                   | Tariff<br>Piastres. | Paras. | Equivalent in<br>£ Sterling. | REMARKS.                                                         |
| 1 to 31 Jan. ..   | 30,915,449          | 13     | 317,081                      |                                                                  |
| 1 „ 28 Feb. ..    | 17,218,555          | 21     | 176,600                      |                                                                  |
| 1 „ 31 March ..   | 15,032,364          | 37     | 154,178                      |                                                                  |
| 1 „ 25 April ..   | 13,475,301          | 30     | 138,208*                     | * Less £20,337 deducted to complete service of Preference Debt.  |
| 26 „ 30 „ ..      | 950,000             | 00     | 9,743                        |                                                                  |
| 1 „ 31 May ..     | 14,626,701          | 05     | 150,017                      |                                                                  |
| 1 „ 30 June ..    | 24,004,268          | 31     | 246,197                      |                                                                  |
| 1 „ 31 July ..    | 19,022,383          | 31     | 195,101                      |                                                                  |
| 1 „ 31 Aug. ..    | 13,871,439          | 36     | 142,271                      |                                                                  |
| 1 „ 30 Sept. ..   | 20,244,294          | 12     | 207,633                      |                                                                  |
| 1 „ 25 Oct. ..    | 41,367,473          | 10     | 424,281†                     | † Less £330,870 deducted to complete service of Preference Debt. |
| 26 „ 31 „ ..      | 8,369,000           | 00     | 85,733                       |                                                                  |
| 1 „ 30 Nov. ..    | 39,707,107          | 20     | 407,252                      |                                                                  |
| 1 „ 31 Dec. ..    | 42,922,745          | 37     | 440,233                      |                                                                  |
| Total during 1883 | 301,717,086         | 03     | 3,094,534                    | —£351,207=£2,743,327 net.                                        |

| 5% PREFERENCE STOCK. |            |        |               |                                                         |
|----------------------|------------|--------|---------------|---------------------------------------------------------|
| MONTHS.              | Tariff     |        | Equivalent in | REMARKS.                                                |
|                      | Piastres.  | Paras. | £ Sterling.   |                                                         |
| 1 to 31 Jan. ..      | 11,700,000 |        | 120,000       | * Plus £20,337 deducted from Revenues of Unified Debt.  |
| 1 „ 28 Feb. ..       | 5,850,000  |        | 60,000        |                                                         |
| 1 „ 31 March ..      | 4,875,000  |        | 50,000        |                                                         |
| 1 „ 14 April ..      | 11,054,464 | 37     | 113,379*      |                                                         |
| 15 „ 30 „ ..         | 975,000    |        | 10,000        |                                                         |
| 1 „ 31 May ..        | 6,825,000  |        | 70,000        |                                                         |
| 1 „ 30 June ..       | 6,825,000  |        | 70,000        |                                                         |
| 1 „ 31 July ..       | 2,315,618  | 27     | 23,749        |                                                         |
| 1 „ 31 Aug. ..       | 975,000    |        | 10,000        |                                                         |
| 1 „ 30 Sept. ..      | 1,950,000  |        | 20,000        |                                                         |
| 1 „ 14 Oct. ..       | 5,484,381  | 13     | 56,250†       | † Plus £330,870 deducted from Revenues of Unified Debt. |
| 15 „ 31 „ ..         | 3,900,000  |        | 40,000        |                                                         |
| 1 „ 30 Nov. ..       | 8,775,000  |        | 90,000        |                                                         |
| 1 „ 31 Dec. ..       | 6,825,000  |        | 70,000        |                                                         |
| Total during 1883    | 78,329,464 | 37     | 803,379       | +£351,207=£1,154,585                                    |

NOTE.—Shillings and pence omitted.

40 paras = 1 tariff piastre ; 97·5 piastres =£1 sterling.

The outstanding amount of the Unified Debt was reduced during the year by purchases on the market to £55,993,260, and that of the Preference Stock by drawings, including that of the 5th January, 1884, to £22,367,800.

### STATE DOMAINS.

The policy of the Commissioners of the State Domains, like that of the Administration of the Daira Sanieh, has been to reduce the area of land cultivated and extend that of farms let out, and endeavours are being made to realise estates and redeem a proportionate amount of stock. The outstanding amount is stated at £7,798,040 Five per Cent. Bonds.

A short Loan of £950,000 at 5 per cent. per annum and  $\frac{1}{2}$  per cent. commission for six months has been concluded with Messrs. Rothschild, and against this the Commissioners of the Debt have protested, maintaining that such a loan cannot come under the head of *compte courant*, and would therefore be contrary to the law of liquidation, which permits the Government to borrow up to two millions under that head.

The unsecured liabilities of the Government in connection with the late war and the military operations in the Soudan, are estimated at not less than £4,450,000, and it is stated that the Government desire so far to modify the law of liquidation, as to suspend the operation of the Sinking Fund, and on that guarantee to issue Unified Stock sufficient to meet the deficiency. This, however, cannot be done without the consent of the International parties to that law.

On the 1st February the International Indemnity Commission had allowed 8,484 claims to a total of £3,470,000.

## DAIRA SANIEH.

SUMMARY OF THE REPORT OF THE COUNCIL OF DIRECTORS  
OF THE DAIRA SANIEH FOR THE YEAR 1882.

The difficulties with which our administration has met during the year will not escape notice. The crisis passed through by the Government during the insurrection, was too grave and too long not to affect every department of the State, and in spite of every effort it was found impossible always to maintain complete authority over the centres of cultivation, with which communications were cut off from the 9th of July to the end of September, when they were resumed between Cairo and Alexandria.

The delays in transit of produce, brought about by this interruption of traffic, could not be made up, on account of the bad state of the railways and rolling stock; and the stagnation of the trade of Alexandria, as well as the prevailing poverty, which rendered it impossible to proceed with rigour in the collection of arrears of rent, have caused the revenues to come in very slowly.

These causes have led to a decrease in the returns as compared with the estimates; but the economy effected in the expenditure would permit of a more satisfactory balance than could have been expected, if the rent account did not show so large an amount of arrears, the collection of which is so uncertain that no accurate estimate can be prepared.

It has been thought better, with the sanction of the Superior Council, the Law of Liquidation being silent on this point, to close the accounts on the 31st of December, and this will be the practice in future.

The estimates showed a probable surplus of £E.13,730.

The Budget returns as approved by the Superior Council gave:—

|                      |     |                        |
|----------------------|-----|------------------------|
| Receipts ...         | ... | £E.1,252,451·47 24     |
| Expenditure ...      | ... | 1,208,053·14 03        |
| Showing a surplus of |     | <u>£E.44,398·33 21</u> |

This surplus is not now available, as it is impossible under present conditions to get in arrears even by deferring the closing of the accounts to 31st December; the fellah, with some justice, pleading his losses during the insurrection, as a reason, if not for a partial remission of the rent, at least for a postponement of the arrears to a less unfavourable year.

The amount shown for receipts is £E.1,252,451, being £E.63,860 less than the estimates; that for expenditure being £E.1,208,053, which is £E.94,528 less than the estimates.

Generally speaking, the accounts for this year contain only current expenditure and receipts; the exceptions being:—For Expenses: £E.7,916, losses from the fire of Boulac, and £E.2,200, supplementary expenses caused by the transfer to Alexandria of a portion of the administration of the Daïra after the events of June, and the assistance afforded under these circumstances to the employés; For Receipts, in addition to the ordinary receipts, there appears only a sum of £E.8,318, proceeds of sale of Bonds constituting the reserve.

The Profit and Loss Account shows £E.412,009 profit, against £E.20,245 loss, giving a net profit of £E.391,764.

The factories yielded £E.188,986, being £E.111,972 more than the previous year, and lost only £E.1,661 through the closing of the factories of Fayoum.

Land cultivation brought in £E.223,023, being £E.97,415 over last year, against a loss of £E.18,584, which must for the most part, be attributed to the Fachn estate.

*Agriculture.*—Cereals (see the following table) yielded

A.

## DAIRA-SANIEH.

## COMPARATIVE STATEMENT OF CROPS FROM 1878 TO 1882 INCLUSIVE.

|             | 1878.               |                   | 1879.               |                   | 1880.               |                    | 1881                |                   | 1882.               |                   |
|-------------|---------------------|-------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------|---------------------|-------------------|
|             | Feddans Cultivated. | Produce.          | Feddans Cultivated. | Produce.          | Feddans Cultivated. | Produce.           | Feddans Cultivated. | Produce.          | Feddans Cultivated. | Produce.          |
| Wheat ..    | 22,163              | Ardebs.<br>60,123 | 18,194              | Ardebs.<br>32,898 | 10,927              | Ardebs.<br>18,879  | 11,518              | Ardebs.<br>21,112 | 6,262               | Ardebs.<br>10,368 |
| Beans.. ..  | 25,022              | 62,992            | 18,985              | 51,696            | 16,091              | 27,446             | 18,185              | 40,628            | 14,351              | 32,670            |
| Barley ..   | 10,885              | 28,009            | 10,658              | 16,389            | 6,107               | 8,175              | 6,893               | 11,247            | 5,148               | 8,434             |
| Various ..  | 8,718               | 15,799            | 7,456               | 12,138            | 7,231               | 16,743             | 7,488               | 12,389            | 6,459               | 8,347             |
| Cotton ..   | 3,587               | Cantars.<br>4,671 | 3,812               | Cantars.<br>8,271 | 6,765               | Cantars.<br>10,516 | 5,496               | Cantars.<br>3,651 | 1,644               | Cantars.<br>743   |
| Sugar-cane. | 42,549              | 10,240,948        | 36,313              | 8,354,267         | 37,930              | 9,225,839          | 20,414              | 2,846,573         | 26,737              | 7,386,592         |

Nora.—1 Feddan = 3208 Square Yards. 1 Ardeb = 3 Cantars = 226 lbs.

only £E.55,670 being £E.26,490 less than last year. This is due, partly to climatic causes, and partly to requisitions by the rebels, and to the fact that the sum of £E.9,800, allowed by the Government, far from covers the amount required for the use of the army.

On the other hand, sugar cane, the gathering in and preparation of which were completed in March, gave a total return of £E.695,649 being nearly £E.400,000 more than in 1881, without being more than an average crop. The produce of cane bought from the fellaheen is almost double what it was in 1880, being £E.100,007.

Table A gives a comparative statement of the crops for the last five years. The general yield is inferior to that of last year, but this is mainly due to the smaller area sown.

It has been the constant aim of the Administration to extend the letting of farms, to diminish the area of land worked on their own account, and, apart from the cultivation of the sugar cane, to allow the culture only of such articles as may be strictly required for the maintenance and keep of live stock.

Cotton tends to disappear from the list of products of the Daïra; it is a branch of agriculture which gives no profit in Upper Egypt, and, with the exception of estates let out in Lower Egypt, we have no land capable of growing this plant under sufficiently remunerative conditions.

The sugar cane harvest has not only been larger in amount (about three times that of last year), but has more than doubled the yield in respect of the extent of land under cultivation, showing a result of about  $13\frac{1}{2}$  tons of cane against 6.25 in 1881, and this, though satisfactory, is still far below what might be obtainable under good management.

The following table shows the distribution of the lands of the Daïra :—

|             | Uncultivated<br>Lands. | Area under<br>Cultivation. | Lands<br>let. | Lands cultivated<br>directly by the<br>Daïra or in<br>partnership with<br>others. |
|-------------|------------------------|----------------------------|---------------|-----------------------------------------------------------------------------------|
|             | Feddans.               | Feddans.                   | Feddans.      | Feddans.                                                                          |
| Upper Egypt | 61,685                 | 254,304                    | 162,446       | 91,858                                                                            |
| Lower Egypt | 95,663                 | 79,019                     | 73,420        | 5,599                                                                             |
| Total       | 157,348                | 333,323                    | 235,866       | 97,457                                                                            |

The area of uncultivated or fallow land has increased by 10,621 feddans in comparison with the previous year. This increase arises from a difference in the height of the Nile. The area under cultivation is reduced by 25,474 feddans, of which 10,621 feddans must be attributed to the above-mentioned deficiency of inundation, and 14,853 feddans represent the area of land sold, the proceeds of which have been applied to the amortization of the debt. Direct and associated cultivation amount to no more than 29 per cent. of the whole area, while lands let out give a percentage of 71.

The area let out has increased by 13,616 feddans.

The total proceeds from rent of land amounted to £E.315,174, being a little below the estimates, but about £E.20,000 more than the previous year. The mean value of land has remained at about 133 piastres per feddan.

The difficulties of collection have increased as the amount to be collected became larger, the arrears due on 31st March, being about 19 per cent. Although the situation of the lessees has been rendered very precarious by the events of the past year, default in certain cases has been unjustifiable, and the larger portion may be attributed to bad faith. After exhausting every means of coercion in our power, we submitted a scheme for the approval of the Government,

which would give us summary powers of seizure for arrears of rent.

As the Government is equally interested on this point, we do not anticipate the rejection of our scheme. The question has this year become of great importance on account of the extent of land let out. It would be a cause of regret if the difficulty of collecting rents forced us to abandon so rational a system of supplying our sugar factories with raw material, and freeing us from the expenses and vicissitudes of cultivation as well as the losses caused by the large annual mortality among the live stock.

*Live Stock.*—The loss of live stock during the year amounts to no less than £E.15,883.

The following Table shows a decrease from 17,248 head in 1881, to 13,366 on 1st January, 1883. 2,870 head of this decrease must be attributed to a reduction of the flock of sheep at Erment, which must not be confounded with the working stock, which has not been reduced in a larger proportion than during the preceding year. 1,230 head of horned cattle died during the year, and 420, unfit for work, were sold :—

## LIVE STOCK DURING 1882.

|                                   | State at the<br>end of 1881. | Bought<br>in 1882. | Born in<br>1882. | Total. | Sold in<br>1882. | Died in<br>1882. | Total. | State at the<br>end of 1882. |
|-----------------------------------|------------------------------|--------------------|------------------|--------|------------------|------------------|--------|------------------------------|
| Oxen, Cows, and Buffaloes .. .. . | 6,317                        | 615                | 186              | 801    | 420              | 1,230            | 1,650  | 4,468                        |
| Donkeys .. .. .                   | 995                          | —                  | 58               | 58     | 1                | 128              | 129    | 924                          |
| Camels .. .. .                    | 166                          | 1                  | 2                | 3      | 9                | 29               | 38     | 131                          |
| Horses and Mules ..               | 227                          | —                  | 52               | 52     | 83               | 26               | 109    | 170                          |
| Sheep and Goats ..                | 10,543                       | —                  | 2,287            | 2,287  | 4,713            | 444              | 5,157  | 7,673                        |
| Total .. .. .                     | 17,348                       | 616                | 2,585            | 3,201  | 5,226            | 1,857            | 7,083  | 13,366                       |

It is thought that the number of beasts of labour can be further reduced, both by the extension of letting and the development of steam tillage.

*Sugar Manufacture.*—The results have been satisfactory, the cane of good quality, and the supply good and regular.

The following are the mean proportions of the products obtained :—

|                                                   |   |      |   |   |
|---------------------------------------------------|---|------|---|---|
| 1st class sugar 6·04 per cent. of weight of cane. |   |      |   |   |
| 2nd                                               | „ | 1·79 | „ | „ |
| 3rd                                               | „ | 0·56 | „ | „ |
| Total sugar ...                                   |   | 8·39 | „ | „ |
| Molasses ...                                      |   | 2·09 | „ | „ |

The factories have treated 388,631 tons of cane, and produced 32,606 tons of sugar and 8,121 tons of molasses.

Of the above quantity, 321,223 tons of cane proceeded from the farms of the Daïra and 57,408 tons from the lands of private growers, being nearly sufficient to supply one factory. Unfortunately, the freight charged for the transit by rail, of the cane, threatens to interfere with this branch of agriculture.

The distilleries attached to the factories of Upper Egypt, which are worked in accordance with the demand of the market, have treated 1,691 tons of molasses, and produced 4,017 hectolitres of rectified spirit.

# DAIRA SANIEH.

TABULAR STATEMENT OF PRODUCTS AND RETURNS OF SUGAR FACTORIES OF UPPER EGYPT FOR THE SEASON 1882.

| Name of Factory. | Quantity of Cane treated. | Quantity of Juice obtained. | Mean density of juice. | Amount of cooked mass per 100 kilos of Cane. | Sugar No. 1.       |                               |                                 | Sugar No. 2.       |                               | Sugar No. 3.       |                               | Total of Sugar.    |                               | Molasses.          |                               | Spirit.            |                   |                                |
|------------------|---------------------------|-----------------------------|------------------------|----------------------------------------------|--------------------|-------------------------------|---------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------|--------------------------------|
|                  |                           |                             |                        |                                              | Quantity cubained. | Percentage on weight of Cane. | Return per Hectolitre of Juice. | Quantity cubained. | Percentage on weight of Cane. | Quantity obtained. | Percentage on weight of Cane. | Quantity obtained. | Percentage on weight of Cane. | Quantity cubained. | Percentage on weight of Cane. | Quantity obtained. | Molasses treated. | Percentage of Molasses treated |
| Bitch .. ..      | Kilog. 35,736,153         | Hectolit. 210,441           | 1.065                  | Lit. 6.84                                    | Kilog. 1,867,512   | 5.502                         | 9.35                            | Kilog. 705,495     | 1.97                          | Kilog. 149,321     | 0.42                          | Kilog. 2,822,638   | 7.90                          | Kilog. 630,000     | 1.76                          | Kilog. 54,625      | Kilog. 323,600    | ..                             |
| Magasa .. ..     | 33,374,444                | 174,045                     | 1.063                  | 6.43                                         | 1,814,499          | 5.43                          | 10.43                           | 475,527            | 1.425                         | 119,857            | 0.36                          | 2,409,983          | 7.22                          | 738,000            | 2.31                          | ..                 | ..                | ..                             |
| Matial .. ..     | 59,243,540                | 349,635                     | 1.065                  | 7.77                                         | 3,684,568          | 6.22                          | 10.54                           | 950,871            | 1.91                          | 316,440            | 0.53                          | 4,981,899          | 8.36                          | 1,172,655          | 1.98                          | 95,641             | 660,655           | ..                             |
| Minieh .. ..     | 85,090,815                | 497,805                     | 1.071                  | 7.73                                         | 5,290,505          | 6.22                          | 10.63                           | 1,350,270          | 1.98                          | 628,930            | 0.62                          | 7,169,505          | 8.43                          | 1,968,975          | 2.31                          | 87,519             | 438,780           | ..                             |
| Aboukourgas..    | 63,504,973                | 374,253                     | 1.071                  | 7.51                                         | 3,803,041          | 5.99                          | 10.16                           | 1,186,758          | 1.87                          | 342,766            | 0.54                          | 6,352,565          | 8.40                          | 1,213,180          | 1.92                          | ..                 | 31,400            | ..                             |
| Rodah .. ..      | 53,173,692                | 299,132                     | 1.039                  | 6.87                                         | 3,123,172          | 5.879                         | 10.44                           | 1,016,809          | 1.91                          | 318,354            | 0.60                          | 4,458,335          | 8.38                          | 999,000            | 1.87                          | 83,668             | 331,200           | ..                             |
| Dabayth .. ..    | 16,703,360                | 117,326                     | 1.064                  | 8.65                                         | 1,120,555          | 6.71                          | 9.55                            | 344,817            | 2.06                          | 92,637             | 0.55                          | 1,568,109          | 9.33                          | 498,000            | 2.96                          | ..                 | ..                | ..                             |
| Erment .. ..     | 28,704,037                | 184,116                     | 1.070                  | 8.34                                         | 1,826,960          | 6.36                          | 9.92                            | 600,193            | 2.09                          | 199,573            | 0.69                          | 2,657,046          | 9.15                          | 607,500            | 2.13                          | ..                 | ..                | ..                             |
| Motazah .. ..    | 13,094,974                | 82,440                      | 1.072                  | 8.48                                         | 855,917            | 6.53                          | 10.38                           | 328,779            | 2.51                          | 91,818             | 0.74                          | 1,276,514          | 9.75                          | 292,500            | 2.23                          | ..                 | ..                | ..                             |
| Total & Mean     | 388,631,018               | 2,289,193                   | 1.068                  | 7.50                                         | 23,437,229         | 6.04                          | 10.26                           | 6,959,849          | 1.79                          | 2,158,706          | 0.56                          | 32,606,764         | 8.39                          | 8,121,780          | 2.09                          | 321,353            | 1,691,605         | 19%                            |

*Sales and Purchases.*—Sales have produced about £E.761,216, being £E.348,845 more than last year, in consequence of the increased production of sugar.

Raw produce enters into the above amount to the extent of £E.57,770, and manufactured produce, £E.703,446. The former shows a decrease of about £E.40,000 against the preceding year. This difference comes exclusively from the increase in the number of farms let, and is compensated for by the increased amount received for rent and the reduction of expenses. In fact, sale of cereals is a gross return which does not always mean a profit.

The prices obtained have been unfavourably affected by the uneasiness which has reigned in the market of Alexandria; but, notwithstanding this, and particularly with regard to sugar, we have been enabled to maintain our prices, in comparison with those quoted on the European markets, within reasonable limits.

The transit of produce to Alexandria being interrupted, the delivery of a great portion was delayed until the end of October. Although the Administration might in strictness have relied on this case of *force majeure*, we thought it more just in a certain measure to make an allowance to the buyers for the reduction in price which had taken place between sale and delivery, for quantities not delivered in due time at Alexandria. A sum of £E.6,557 is debited to losses on this head.

The same cause has also affected purchases of material, etc., unfavourably.

*TAXES.*—Although the extent of land cultivated has been reduced, the amount charged for Government taxes for 1882 still reaches £E.228,747, against £E.232,508 in 1881.

Upper Egypt and Fayoum show an increase of £E.700, which is not all to be attributed to the current year, but rather a charge on tardy returns.

On the contrary, in Middle and Lower Egypt there is a decrease of about £E.4,500, due to sales of land; this decrease does not quite correspond with the area sold, as the Daïra has usually in its contracts with the purchasers retained a liability to a moiety of the taxes for the current year.

The mean taxation per feddan is about 69 piastres, against 66 piastres in 1881.

In Upper and Middle Egypt, including Fayoum, we are taxed to the full extent for 17,306 feddans of land entirely uncultivated.

*Sales of Land and Redemption of Debt.*—Sales of property from the 1st June, 1882, to the 30th June, 1883, have produced a sum of £E.116,648, and the nominal value of Bonds redeemed during the same period was £110,120, bringing the total redeemed to £643,740, and reducing the general Debt of the Daïra to £8,871,700 nominal for the October Coupon,

N.B.—£30,000 were purchased in July, reducing the Debt further by that amount. There is an available balance of £E.19,754, but circumstances do not permit the hope that the average annual redemption of the last two years, viz., £250,000, will be reached.

*Control of the General Debt.*—The service of the Coupons has proceeded with regularity.

The number of Bonds of the Loan of 1870, Daïra Bonds, and Intercalary Coupons received, in compliance with the Law of Liquidation, from Messrs. Goschen and Joubert, was:—

|                                         | £         | s. | d. |
|-----------------------------------------|-----------|----|----|
| Loan of 1870, 295,018 Bonds at £20 =    | 5,900,360 | 0  | 0  |
| Daïra Bonds, 4,321 ... =                | 2,905,880 | 11 | 6  |
| Intercalary Coupons of 15th Oct., 1877, |           |    |    |
| 440,289 Coupons at £5 10s. ... =        | 128,417   | 12 | 6  |

The amounts given in the contract of 12th July, 1877, were respectively £5,909,280 for the 1870 Loan, and £2,906,150 for the Daïra Bonds. There are then wanting £8,920 of the first, and £270 of the second in value of Bonds not presented within the period to which the conversion was limited.

*Sales of Old Material.—*

|                                                                                            |        |                       |
|--------------------------------------------------------------------------------------------|--------|-----------------------|
| Balance from 1881                                                                          | ... .. | £E.13,381·16 00       |
| Sales effected in 1882 have realised :—                                                    | ... .. | £E.28,393·10 26       |
| being chiefly the proceeds of sale of a disused factory at Saliacos, bringing the total to |        | £E.41,774·26 26       |
| Withdrawn from this fund during 1882, including £E.23,000 employed in redemption           | ... .. | £E.33,640·01 25       |
|                                                                                            |        | <u>£E.8,134·25 01</u> |

It has been decided by the Superior Council that such sales are in future to be submitted to the said Council, and the prices of lots of a value of more than £E.5,000 to be subject to the ratification of the Government.

*Liquidation of Arrears.*—A Commission has been appointed to arrange the settlement of arrears, but it has not been at work long enough to show results worthy of being recorded here.

*Administration.*—The expenses caused by the late troubles have been placed to the debit of extraordinary expenses.

The requisitions, however, to which the Daïra was subject will not be a permanent charge. Negotiations are in progress for the restitution of the value of articles requisi-

tioned, and the restoration of railways destroyed, and there is no doubt that the result will be favourable.

The Council of Directors have had a very difficult task during the latter part of the past year, but they have the satisfaction of knowing that they have done their duty, and that they have been able to mitigate the disastrous results of the general disorganization.

The Technical Service and the Offices of the European Staff were transferred to Alexandria on the 15th of June, for greater facility of business, when the representatives of the different banks had left Cairo.

The European Staff of Upper Egypt was not recalled until the 6th July, and the last Directors' Meeting at Cairo was held on the 8th of that month.

On the 22nd July, the Offices of the Daïra were opened at Alexandria, and resumed the conduct of affairs under the direction of the Controllers constituting the majority of the Directors; keeping up communications with the Director General, who remained at Cairo at the head of the Native Administration.

On the 24th September the Administration resumed its normal functions at Cairo.

During this period cases of local neglect occurred, but it is satisfactory to say, that we have none of a serious nature on the part of the Staff to record.

As regards the financial position of the Daïra, if we cannot make a distribution of supplementary interest to the Bondholders, as had at one time been thought possible, we have not had to appeal to the Government guarantee.

The accounts for 1882 show a  
surplus of     ...     ...     ...     ...     £E.44,398·33

On the 31st March there remained :—

|            |     |     |     |     |              |
|------------|-----|-----|-----|-----|--------------|
| To pay     | ... | ... | ... | ... | £E.74,395·13 |
| To receive | ... | ... | ... | ... | 99,260·50    |

The former amount will be duly met at the close of the year, and will be subject to but slight modification ; the latter sum may be subject to some delays before its final liquidation. At the present time (15th Aug., 1883,) there remains outstanding an amount of £E.49,881·24.

Note.—Sir Fred. Goldsmid resigned his seat on the Council of Directors in April, and has been succeeded by Mr. T. W. Kelly.

## GREECE.

### FIVE PER CENT. INDEPENDENCE LOAN (CONVERTED 1879).

|                           |          |
|---------------------------|----------|
| Amount issued ... ..      | £999,000 |
| Amount outstanding ... .. | 830,400  |

The ninth and tenth Coupons of this Loan, due 15th January and 15th July, 1883, have been punctually paid ; and at the sixth and seventh drawings, held in May and November last, the sum of £32,300 was redeemed, which, added to the total of £136,300 redeemed at the previous drawings, reduces the outstanding amount to £830,400.

## GUATEMALA.

### STATEMENT OF GUATEMALA DEBT.

#### *Five per Cent. Loan of 1856.*

|                                                                                         |                |
|-----------------------------------------------------------------------------------------|----------------|
| Principal outstanding ... ..                                                            | £70,600        |
| Arrear Coupons 16, viz., 1st February, 1876, to 1st August, 1883, both inclusive ... .. | 28,240         |
| Total 5 per cent. Debt... ..                                                            | <u>£98,840</u> |

*Six per Cent. Loan of 1869.*

|                                                                                                                                         |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Principal outstanding ... ..                                                                                                            | £468,600        |
| Arrear Coupons 15½, viz: ½ April,<br>1876, Coupon and 15 Coupons<br>from 1st October, 1876, to 1st<br>October, 1883, both inclusive ... | 220,242         |
| Total Six per Cent. Debt ...                                                                                                            | <u>£688,842</u> |
| <hr/>                                                                                                                                   |                 |
| Total Five per Cent Debt ...                                                                                                            | £98,840         |
| Total Six per Cent. Debt ...                                                                                                            | 688,842         |
| <hr/>                                                                                                                                   |                 |
| Grand Total ... ..                                                                                                                      | <u>£787,682</u> |

**Guatemala 1869 Committee.**

General Sir George Balfour,  
K.C.B., M.P., *Chairman*.  
George Cavendish Taylor, Esq.,  
*Deputy Chairman*.  
Right Hon. E. Pleydell-  
Bouverie, *Ex-officio*.  
J. C. Bayley, Esq.  
L. N. Bonar, Esq.  
James Roberts Brown, Esq.  
Robert Fisher, Esq.  
F. G. Horne, Esq.  
Count de Torre Diaz.

Morgan Yeatman, Esq.

*Secretary.*

Hyde Clarke, Esq.

*Agents for Arrear Certificates.*

Messrs. I. Thomson, T. Bonar  
and Co.

*Agent of the Bondholders in  
Guatemala.*

On the 1st of March, 1883, the Congress of Guatemala met, and in his Message to that Assembly the President, General Barrios, drew their attention to the fact that an arrangement with the Bondholders had been made by Señor

Medina, and expressed his hopes that it would bring about a favourable solution of the Debt question.

Months passed, however, without anything definite being heard by the Bondholders, and at last, in July, 1883, Señor Medina, the Minister of Guatemala in Europe, having proceeded to Guatemala, a conference took place on the subject of the arrangement with the Bondholders.

The result was that the President called a Special Session of Congress, which met on the 5th of October, and sent them the following Message :—

[TRANSLATION.]

COPY OF PRESIDENT BARRIOS' MESSAGE TO CONGRESS.

DEPUTIES,—

The fact of its having been pointed out to the Government that a combination could be effected for arranging the payment of the Foreign Debt upon grounds totally different to those adopted in the arrangement made by our Minister in London with the Bondholders, caused it to be thought that it would not be necessary to submit it for your examination and decision, and on this account it was not presented to the Assembly during its last ordinary Sessions.

After these had closed I learned that that combination could not be carried into effect ; therefore, being desirous that the delay in bringing this matter before the Legislative Assembly should not be attributed to want of will on the part of the Government, it has appeared to me fitting to convoke you in extraordinary Sessions to lay before you, through the office of the Secretary interested, for your mature deliberation and your enlightened votes, the arrangement made in London.

I have already at other times had occasion to declare

and I now repeat it, that one of my most ardent desires has been, and is, to fittingly arrange for the payment of the Foreign Debt, as it concerns the credit of Guatemala and the good repute of the Government which it has fallen to my lot to preside over; but, at the same time, it is indispensable to examine carefully and with impartial judgment all and each one of the conditions of the new undertaking, which should be contracted so as to be certain of fulfilling them with punctuality, and to be certain that they contain nothing which the country could rightly be angry at.

It matters little that this Debt has not been contracted during my administration, but that it springs out of the British Federal Loan of 1825, and of that which the preceding Administration obtained in 1869.

It also matters little that my Government found the funds which had been received during these negotiations entirely exhausted; its principles and dignity would not have permitted it in any case to deny the recognition of the Debt; on the contrary, they threw upon it the duty of making an effort, so far as its legitimate powers and the state of its means permit, to comply with the obligations which, on coming into power, it found already pressing heavily on the Public Treasury.

But what is of the greatest importance is, that whatever arrangement is made be based on equity and on its utility to the nation; and it is indispensable, for the same reason that the arrangement should be carefully considered, and all its articles weighed in detail.

Permit me then, gentlemen, in affectionately greeting you, on the day the extraordinary Sessions to which you have been convoked commence, to recommend most especially for your study and attention, the matter which has chiefly caused them.

I reasonably hope that, imbued with its importance and

moment, and after examining it on all sides with patriotic care, you will come to the resolution which is best for the true interests of the Republic, which are the only interests you have to consider, and which, without doubt, are the only ones the National Assembly will consider.

J. RUFINO BARRIOS.

GUATEMALA, *October 5th*, 1883.

In acknowledgment of the Message from the President, the Congress sent him the following Address :—

[TRANSLATION.]

REPLY OF NATIONAL ASSEMBLY TO PRESIDENT BARRIOS'  
MESSAGE.

MR. PRESIDENT,

The National Representatives, assembled in Extraordinary Session by the Government Decree of September 25th of this year, have with a lively interest occupied themselves with the Message which you were pleased to send them, explaining the matter which principally caused the meeting.

The zeal which the Executive Power, worthily presided over by you, shows in all matters connected with the well-understood interests of our country, could not but be extended to a fair arrangement of the Foreign Debt which Administrations previous to the glorious one of 1871 left us a legacy.

It was not, indeed, the Administration you preside over which contracted the British Loan in 1825, it was not, nor would it be, yours which contracted the Loan of 1869; neither was it in the power of your Government to usefully employ, as it would have done, on works of public

utility, the funds realised by these negotiations, as they were already entirely exhausted at the date of the initiation of the liberal and progressive rule with which you have dowered the Republic.

Nevertheless, the Assembly recognises, as you do, that the origin (*fundamentos que dan vida*) of that beneficent rule, the dignity and propriety inherent in its principles, the credit of Guatemala, and the good repute of its Government, impose the duty of accepting the debts contracted, and of endeavouring within legal limits, and to the extent of the resources of the country, to fulfil obligations which are a continual burthen upon the National Treasury.

With a view of fulfilling this duty, your sincere desire was to effect in an equitable manner a combination which should not injure the rights of others, and in which the real interests of Guatemala would be properly consulted.

The negotiation concluded by our Minister in London, and which was not changed although its basis was entirely different from that on which the Government had been informed an agreement could be effected with the Bondholders, is the form in which the arrangement for the Foreign Debt is presented, and is the principal motive which caused you to determine to convoke the Assembly in Extraordinary Session, so that it may be known that far from its being your object to delay a settlement, you desire an examination of, and a decision on, so interesting a subject.

The Assembly, Sir, solemnly declares that, inspired in its counsels by a desire for the welfare of the Republic, and seconding the patriotic sentiments and lofty ideas of its illustrious Mandatory (*Mandatario*), it will examine the scheme by the light of the principles of justice and the dictates of equity; it will weigh in detail and with prudence

each of its clauses, and imbued with the importance and moment of the subject; it will decide upon it in such a manner that, while being able to obtain its due fulfilment, it will not adopt conditions which the country might now or hereafter properly resent.

Mr. President: Your message is another proof of the affectionate regard you have for our beloved country, which rightly values you as the most brilliant of its sons.

The Legislative body in its own name, and as representing the people, cordially salutes you, and is pleased to assure you that the true interest (*conveniencia*) of the Republic will, in its deliberations, be, as ever, the only motive force which the National Assembly will obey.

(Signed)

ANGEL M. ARROYO,

*President.*

Guatemala, *October 9th*, 1883.

The subject was then considered by the Finance Commission of the Congress, which, in their Report, recommended the rejection of the arrangement, but that the President should be authorised to continue negotiations for a settlement.

A translation of the Report of the Finance Commission is appended, which shows the reasons alleged for not accepting the arrangement made by the Government.

As yet no communication from the Government on the subject of renewal has reached the Committee, but the Committee continue their exertions to bring about a settlement.

According to the official statements, the Customs Receipts now exceed \$2,000,000 per annum.

[TRANSLATION.]

## REPUBLIC OF GUATEMALA.

SESSION OF THE LEGISLATURE OF GUATEMALA, 11TH OF  
OCTOBER, 1883.REPORT OF THE FINANCE COMMISSION TO  
THE NATIONAL ASSEMBLY.

## NATIONAL ASSEMBLY:

The Finance Commission entrusted with the examination of the Convention entered into between the Minister Plenipotentiary of the Republic in London, and the Chairman of the Council of Foreign Bondholders for the conversion of the External Debt have given this matter the attention required by its importance, and proceed to present to the Assembly the result of their deliberations, and the decision which, in their opinion, ought to be arrived at.

The examination of the Convention has persuaded the Commission that it does not meet the patriotic and elevated views which President General Barrios has always expressed for the settlement of a matter which so nearly touches the credit of the nation.

The Minister of Finance, in the note in which he presents the documents referring to the arrangement, makes some observations which the Commission have thought just, and they have therefore considered them, and taken them into account in each one of the Articles to which they refer.

The Convention entered into in London on the 12th December, 1882, consists of nineteen Articles, which the Commission have examined one by one, and will explain their views as to those which, in their opinion, are of im-

portance, in order that the Assembly may learn the reasons which have assisted them in coming to the decision which they propose.

Article I. provides that for the conversion of the existing Debts, viz., the Federal Debt and that of 1869, the Government of Guatemala shall issue new Bonds of External Debt for £800,000 in 8,000 Bonds of £100 each, bearing interest at 6 per cent. per annum, being issued and redeemed as stated hereafter, under the denomination of Bonds of the Consolidated Debt of the Republic of Guatemala.

According to the statement which the Minister of the Department has had prepared as to the Federal Debt of the Loan of 1869, liquidated up to the date fixed in the arrangement, the two together, principal and interest, amount to the sum of £773,269, and the Convention provides that £800,000 shall be issued forthwith; in this way increasing the Debt by £26,730, upon which interest will have to be paid.

Article II. sets forth that the form of the Bonds shall be agreed upon between the Government and Council of Foreign Bondholders, and that the said Bonds shall have attached to them forty coupons payable in London half-yearly, on the 1st of April and 1st of October in each year, the first coupon being paid on the 1st of October, 1883. The Commission have no objection to make to the fixing of a date for payment.

Article III. The Government assigns for the service of the new Bonds, and as long as it may be necessary for their complete extinction, 20 % of the gross Customs Revenues of the Republic, and moreover obliges itself, in case of alteration of the existing duties, to come to an arrangement with the Bondholders for the substitution of other duties in such manner that their interests may not be prejudiced.

The Commission consider that this Article should be most carefully examined, being the basis of the contract, and containing, in their opinion, various and very serious disadvantages, of which they will now consider the most important.

It alters for the worse the system of payment established since the year 1872, by fixing an accumulative fund.

It assigns for the payment of interest and sinking fund, a fund larger than ever ought to be paid, with the circumstance that the said fund will continue to increase with the natural advancement of the country ; and lastly, it obliges the Government, whenever they may desire to make alterations in their tariffs, not to do it without first putting themselves in accord with the Bondholders, in order that the interests of the latter may not be prejudiced.

It alters for the worse the established system of payment ; because according to the modification effected by the Convention of the 24th December, 1882, in the loan of 1869, which originally had for interest and sinking fund an accumulative fund of £46,000 per annum, always to be paid, whatever the amount of the debt, until its total extinction, it was agreed that the interest should be paid only on the outstanding amount, and that for the amortization of the capital there should be paid annually 3 % of the original capital, say £15,000 ; this modification giving the advantage that instead of paying off the loan in 18½ years by the accumulative sinking fund, it would be paid off in 33 years.

It fixes for the payment of interest and sinking fund a larger amount than ever ought to be paid, because the Maritime Customs, according to the report of the Secretary of Finance, in March, 1883, produced during the last quinquennium, from 1878 to 1882, \$8,811,860, equal to a mean of \$1,762,372 per annum. 20 per cent. of this sum amounts

to \$352,676, say £70,495 reckoned at par, from which the Commission assume the amount fixed by the Convention at £70,500, a sum which exceeds by £3,000 the amount payable in the year in which the largest payment would be due from the Government, if instead of the present proposal the Convention had taken the form of a simple acknowledgment of indebtedness and capitalisation of all overdue interest in order to continue the payment of the total service of the Debts at the present rates of interest and sinking fund; with the circumstance that in this case the payment would diminish annually by a sum equal to the interest on the capital redeemed during the previous year. As this negotiation will take several years in carrying out, it is not natural to suppose that the country will remain stationary during this time; on the contrary, everything gives rise to the hope that its exports and imports will increase, and consequently the Maritime Customs, and it would not be surprising if an assignment of 20 per cent., which now produces £70,500, will soon produce £100,000.

It remains to explain the disadvantages of the obligation contracted by the Government in the latter portion of the articles, in having to substitute by others the existing duties in case of alterations of them—that is to say, that when the interest of the country necessitates the modification of its tariffs, wholly or partially, or the making of concessions in private contracts, or any other alterations, the Government would have to consider, in doing it according to the stipulations of the Convention, the substitution with the consent of the Bondholders of the portion of which the modifications deprive them. In the opinion of the Commission this circumstance implies the right of the Bondholders to intervene in the affairs of the Government, who would not be at liberty to shape them as in their judgment would be for the good of the country,

without the consent of a third party interested only in receiving the largest possible amount.

Article IV. recites that the Customs officials shall deliver directly and weekly to the agent of the Bondholders in Guatemala 20 per cent. of the gross receipts, and authorises the said agent to inspect their books.

The collection of the Maritime Customs takes place in this capital, Escuintla, Retalhuleu and Izabal. At all these places are kept books, which the agent would have a right to inspect; and the Commission cannot help considering the first of these conditions troublesome, and the second, to say the least, oppressive.

Article V. has the object of fixing the guarantee which the Government gives, that the 20 per cent. on the Maritime Customs dues in no case shall be less than £25,000 per half-year; and engages the Government to pay in gold on the day of maturity any sum that may be wanting to complete that minimum amount.

This condition in another case would be very onerous, because it places the Government under the obligation of paying over a considerable amount in gold at a fixed date without being prepared; in the present case the Commission think that it would have no meaning, seeing that the assurances of the Government are very exact in this respect, and that the proceeds of the customs revenues have remained at a mean rate for the last five years of \$1,762,000, as mentioned previously.

The Commission do not enter into the consideration of Article VI. because its object is simply to provide that the agent of the Bondholders in Guatemala shall be nominated and removed as may be required by them, and that he shall act exclusively as their agent.

Article VII. arranges that the sums to be received shall be remitted to a firm or bank in London, appointed by the

Government in accord with the Council of Foreign Bondholders, who will commence by deducting a sum not exceeding 2 per cent. for agency expenses in Guatemala and London, which expenses will have to be approved by both the parties interested; after this the remainder is to be distributed as follows:—

1. In paying Coupons maturing on the new Bonds issued by virtue of the present arrangement, and which may be pending.

2. The surplus, after payment of the matured Coupons or having made provision for them, shall be employed in redeeming the principal of the Bonds by purchase in the market, or public tender or drawing, when the Government shall so dispose, paying in this case £125 per £100 capital. The latter portion of the Article arranges that the Government reserves the right to redeem all or part of the Bonds at any time by drawings, effected in like manner, and with same premium of 25 per cent.

As the Commission will have to return to the consideration of this Article when they examine Arts. XII. and XVI., which treat of the distribution of the new Bonds and return of the existing Bonds, they will only call the attention of the Assembly to the fact that the Article fixes a charge of 2 per cent. on the total fund for expenses of the Guatemala and London Agencies, and that the redemption of the Bonds, with the surpluses of the half-yearly receipts, may be made by purchase in the market or by public tender, which would indubitably give an advantage if the surplus were exclusively in the hands of an agent of the Government, for the purpose of obtaining the said Bonds at a suitable price; but as the funds are to be lodged with a firm or bank, nominated by both parties, it is not natural to suppose that there would be great diligence in getting them in. On the contrary, it is probable that the sur-

pluses would be kept back, in order not to employ them for purchases, but to provide against delays in the receipt of funds for the payment of Coupons, which, up to a certain point, is justifiable for the time which elapses from the remittance of the funds from here until the maturity of the bills in England. On the other hand, the Government cannot make use of this right in consequence of their engagement to draw the new Bonds for redemption with a premium of 25 per cent., given in payment of the interest deferred and not yet capitalised; which premium it is in the power of the Bondholders to avail themselves of by refusing to sell except at very high prices, in this way obliging the Government to hold the drawings.

Article VIII. arranges that the Agents in London shall publish half-yearly a statement of the funds received, and the manner in which they have been employed.

Article IX. is composed of two portions; the first is for the purpose of setting forth that the payments made by virtue of this arrangement shall at no period be subject to tax or duty of any kind; and the Commission have nothing to say on this part of the Article, it being agreed that all expenses arising out of this arrangement, and the payments made under it, shall be at the charge of the Government, and there would be no object in collecting taxes which the Government would afterwards have to refund. The second part provides that every Coupon of the New Bonds, due and unpaid, shall be at all times received by the Government at par, in payment of any tax or revenue of the Republic, and that the amounts so paid shall be deducted in the following payment which has to be effected for the service of the debt. This provision they consider inconvenient, because although the Government in effecting any arrangement should firmly resolve to carry it out, it may well happen, that through unforeseen circum-

stances, or *force majeure*, the remittances may be delayed or suspended, and in that case the matured coupons would be brought here and presented in payment of all and every tax collected by the Government; and the latter would either be necessitated to refuse to accept them, in this way failing in their engagements, or to see a complete disturbance of the revenue receipts which will have probably been assigned for payment of their ordinary expenses, or for other payments of an urgent character; for it is natural to suppose that if the remittances were suspended, it would be because the Government had met with difficulties which the presentation of the Coupons in Guatemala would increase. This condition implicitly provides for the assignment or the hypothecation of all the revenues of the Republic, with the circumstance that the creditor can collect it when due at pleasure, and although by the existing arrangements the total revenues of the nation are hypothecated to the External Debt, it is in a general way, and without enabling the creditor to subdivide his action and cause himself to be paid out of the revenue which he may elect, which is very different to the right given by the proposed arrangement.

Article X. sets forth that the Government of Guatemala shall inform that of H. B. M. of the assignment made by the present arrangement of the Customs revenues, for the service of the Consolidated Debt, and it is with much justice objected to by the Minister of Finance, in his note submitting the scheme, because there is no reason in it, nor can one understand the object of introducing the Government of Her Majesty into a contract entered into between the Government of Guatemala and individual English subjects.

They have nothing to say upon Article XI., which only recites that the £800,000 in new Bonds duly signed on the

part of this Government, shall be delivered to the Council of Foreign Bondholders before the commencement of the conversion.

Article XII. is to fix the method of exchanging the new Bonds for those in circulation with their Coupons, whether those of the Federal Loan or of the Loan of 1869, and provides that all the Bonds presented on or before the 31st December, 1884, shall be exchanged at the following rates :

£100 in new Bonds shall be given in exchange for each £100 capital of the Bonds in circulation.

£15 in new Bonds shall be given in exchange for the Coupons matured and remaining unpaid previous to the 30th June, 1883, on every £100 capital of outstanding Bonds presented for conversion. A proportionate reduction shall be made with respect to lost Coupons. In no case shall Coupons be converted separately, unless Bonds of the same class without Coupons, to an equal or greater amount, have been previously converted.

Moreover, the Article explains that the redemption of the new Bonds at a premium of 25 per cent. in the case of drawings, has been provided by Article VII. in view of the desire of the Government to pay all arrears of interest in full.

The Commission, on examination of this Article, find at the outset that no difference is made in the exchange, between the Federal Debt and that of 1869, and as it is well known that the former of these debts bears at present interest at 5 per cent., and that its Bonds are to be exchanged for new Bonds returning 6 per cent., it may be understood that there is an increase in the interest of 1 per cent per annum on £70,600, the amount of this debt, equal to an annual loss of £706 plus 2 per cent. commission and 15 or 20 per cent. cost of exchange of the remittance of that amount.

The amount of the Debts to be exchanged will consequently be as follows:—

|                                         |     |     |                 |
|-----------------------------------------|-----|-----|-----------------|
| Capital of the Federal Debt             | ... | ... | £70,600         |
| „ Loan of 1869                          | ... | ... | 468,600         |
|                                         |     |     | <hr/>           |
|                                         |     |     | £539,200        |
| 15 per cent. on both amounts for arrear |     |     |                 |
| interest capitalised                    | ... | ... | 80,880          |
|                                         |     |     | <hr/>           |
|                                         |     |     | <u>£620,080</u> |

And as the issue fixed in Article I. is of the amount of £800,000 there remains in the hands of the Bondholders a surplus of £180,000, of which we shall speak in discussing Art. XVI.

According to the statement presented by the Secretary of Finance, the arrear interest due on both Debts amounts to £234,069, and the 15 per cent. only, of which mention has been made, amounting to £80,880, is capitalised, £153,189 remaining in suspense, which, in accordance with the same Article, will be paid by the Government with the premium of 25 per cent. provided for the redemption of the Bonds by drawing, in view of the desire which they have shown absolutely to cancel all arrear interest.

The Commission are astonished that a form so irregular and equivocal has been devised for this part of the arrangement, which in short is discreditable to the Government, making it appear that a quittance is given, when in reality it is only deferring the payment of the pending interest, which the 25 per cent. fixed for a premium for the redemption of the Bonds covers to excess.

Article XIII. sets forth the law to which the holders of existing Bonds are subject, according to the dates when they presented them for conversion, and that the value of

the Coupons unpaid for this cause will increase the sinking fund. The result which this operation would give is so precarious and of so little importance, that the Commission think it not worth while considering.

Similar reasoning applies to Article XIV., which refers to the small fund arising out of the non-presentation of fractional certificates issued in the course of the conversion.

Article XV. recites that the conversions shall be effected in accordance with the rules and formalities agreed on between the Government and the Council of Foreign Bondholders.

Article XVI. sets forth what is to be done with the new Bonds remaining over after the completion of the conversion, and provides that there shall be forthwith cancelled, at the rates fixed for the conversion by Article XII., a number of new Bonds equivalent to the number of Bonds outstanding which have not been converted in accordance with the calculations to be furnished by the Government; and upon this being done, the remainder shall be handed over to the Government, who shall assign so much of them as may be necessary, or shall provide in another manner for the expenses of the present arrangement and issue of the new Bonds. As the Commission do not think that any quantity of the outstanding Bonds can have been lost, and for this reason will not be presented for the conversion, they will take the amount converted as a basis, according to Article XII. £620,000, and will return to the Government £180,000 in Bonds. From these there will have to be deducted £19,000, which by separate arrangement will have to be given for commission and in compensation for certain expenses, and an additional £10,000 to £11,000 for expense, printing the Bonds, &c., the Government consequently retaining £150,000 in Bonds, more or less.

The contract does not fix the period for the delivery of

these Bonds, but it is natural that it should be on the completion of the conversion, which might be in the first half of 1885, according to Article XII., which fixes the 31st December, 1884, as the last day for the presentation of the Bonds.

Neither does it provide what is to be done with the Bonds remaining in possession of the Government, after deducting the expenses. It is probable that they could sell them, cancel them, or represent them as a portion of the Loan; but in any case the Government will have to remit to England the 20 % of the Maritime Customs revenue, which is assigned until the complete amortization of the Debt.

The Commission, therefore, do not see the advantage to the Government of receiving this amount of Bonds, because, if they should decide to sell them, they could only do it at a very low rate, below 30 or 40 per cent., in this way prejudicing the rest of the Debt and their credit, and having to redeem them afterwards at 125 per cent., a ruinous operation, which, in no case, ought to be effected. If, on the contrary, the Government should decide to keep them, they would have to remit the 20 per cent. of the Customs revenues, in order to receive in England the amounts due on the Bonds which they hold, burdened with a charge of 2 per cent. expenses, and interest running from the remittance of the Bills until the distribution of interest, an operation which likewise leads to a loss, and has no object. Lastly, if it were decided to cancel them, the Government would still have to send the 20 per cent. of the Maritime Customs assigned for the service of a Debt of much smaller amount, in this way increasing the Sinking Fund provided for it.

Articles XVII. and XVIII. provide for the representation of the Government and the Bondholders for the purposes of this negotiation.

Article XIX., and last of the Convention, fixes the periods for its ratification by the Bondholders and the National Congress of Guatemala.

The ratification by the Bondholders, which was fixed for fourteen days after the date of the Convention, took place on the 19th December, 1882, according to an official communication from the Minister of the Republic in London; but the ratification by the Congress of Guatemala, fixed for before the 1st March, 1883, did not take place, and this, although it does not imply the lapse of the contract, supposing the parties to it in accord, renders its execution difficult, since the figures which served as a basis for the proposed arrangement have altered considerably with the lapse of time.

The Commission have explained their views at considerable length, but they could not avoid doing so if they were to consider, as they have done, all and each of the Articles of the Convention given them for examination, and give the Assembly a report which should enable them to decide so important a matter in the most advantageous manner.

From their study of it, it appears that the Republic obtains no advantage in any of the Articles of the Convention; for although there are two which apparently give an advantage, as that of the quittance of interest, which, in fact, is non-existent, because the Government pays more; and that of receiving in Bonds an amount of £150,000, which gives no other result than that of nominally increasing the Debt, because to use them would cause great loss; all the others are contrary to the interests of the nation, seeing that they compel it—

To issue forthwith Bonds for a larger amount than that of the Debt;

To assign a Sinking Fund larger than that which

ought to be paid under existing conditions, if all arrear interest should be capitalised, a Sinking Fund which is not fixed, but which will increase year by year, as a result of the natural advancement of the country, and consequent increased return of the Customs ;

To alter for the worse the established system of payment by the accumulative Sinking Fund, the result of which is payment in a much shorter period ;

To give the Bondholders the right to intervene in the affairs of the country, in case it should be desired to introduce modifications in existing tariffs ;

To give their Agent the right to examine the books of the Customs, and collect directly and weekly from the officials 20 per cent. of the receipts ;

To hypothecate the whole revenue in addition to the assignment of the Maritime Customs, by the provision that all matured and unpaid Coupons be received here in payment for any tax or duty that the Government may have to receive ;

To inform the Government of Her Britannic Majesty of the arrangement that has been effected, thus giving them the right of intervention in private business between the Government and individual British subjects ;

To convert debt which bears 5 per cent. interest into debt bearing interest at 6 per cent. ;

And lastly, to pay off Bonds issued at £100 at the rate of £125, to compensate for the apparent quittance of interest which is effected with a positive loss.

From the above, although the Commission concur with the President of the Republic in his desire for a suitable adjustment of this matter, they cannot fail to see that the proposed arrangement is not based on principles alike equitable and for the advantage of the nation, and that on the contrary it fixes conditions which may be justly

considered as prejudicial. They therefore submit the following resolutions for the consideration of the Assembly :—

1. Not to approve the Convention entered into in London, on the 12th December, 1882, between the Minister of the Republic and the Chairman of the Council of Foreign Bondholders.

2. To authorise the Government to continue their negotiations until a suitable and equitable arrangement can be obtained.

SAMAYOA.  
 ESCAMILLA.  
 ZEBADUA.  
 MACHADO.  
 MURGA.  
 MARTINEZ SOBRAL.  
 AGUIRRE.

## DECREE No. 66.

THE LEGISLATIVE ASSEMBLY OF GUATEMALA,

Considering,

That the Executive Power, in conformity with the authority granted to it for the settlement of the External Debt, has rendered an account of the Convention concluded in London on the 12th of December, 1882, between the Representative of Guatemala and the Bondholders, respecting the redemption of the principal and the payment of interest ;

That, notwithstanding the desire of the National Assembly and of the Executive Power to conclude an arrangement upon bases alike equitable and advantageous to the Republic, they cannot approve of the arrangement entered into in London, because it contains stipulations

which alter those now existing in a very unfavourable and onerous manner to the State, as is amply demonstrated in the Report of the Finance Committee;

That, in refusing to sanction said arrangement it is desirable to renew to the Executive Power the authority with which it is invested;

Decrees :

ARTICLE I. The Convention concluded in London on the 12th December, 1882, is not approved of.

ARTICLE II. The authority granted to the Executive is renewed, in order that negotiations may continue until an equitable and satisfactory arrangement is arrived at.

Let the foregoing be communicated to the Executive Power for its publication and fulfilment.

Given in the Hall of the Assembly in Guatemala, this 13th day of October, 1883.

ANGEL MARIA ARROYO, *President.*

E. MARTINEZ SOBRAL, *Secretary.*

SALVADOR BARRUTIA, *Secretary.*

GOVERNMENT PALACE, *October 13th, 1883.*

Let it be fulfilled.

(Signed) J. RUFINO BARRIOS,

(Countersigned) DELFINO SANCHEZ,  
*Secretary of State for Finance  
and Public Credit.*

## HONDURAS.

|                            |     |     |            |
|----------------------------|-----|-----|------------|
| 5 per Cent. Loan, 1867     | ... | ... | £78,800    |
| 10           "           " | ... | ... | 900,700    |
| 6½           "       1869  | ... | ... | 2,176,570  |
| 10           "       1870  | ... | ... | 2,242,500  |
|                            |     |     | <hr/>      |
|                            |     |     | £5,398,570 |

In arrear from January, 1873, inclusive.

## Committee of Honduras Bondholders.

Right Hon. E. P.-Bouverie,  
*Chairman.*

F. McAlpine, Esq.

U. R. Burke, Esq.

Major-General Sir John Hamil-  
ton Cox, Bart., C.B.

Roger Eykyn, Esq.

Alfred Jaques, Esq.

W. Richardson, Esq.

T. W. Snagge, Esq.

Geo. Cavendish Taylor, Esq.

E. Wright, Esq.

*Secretary.*

Hyde Clarke, Esq.

Early in the year it was announced that the President of Honduras intended to visit Europe, and that he had authority to make arrangements for a settlement of the External Debt.

His Excellency visited New York, but not Europe, and the hopes of the Bondholders were once more disappointed.

Instead of proposals being made direct to the Bondholders, a Concession was granted in March, 1883, to Messrs. Hance and Waterbury, two American Railroad Contractors, for the construction of a Railway from the Gulf of Honduras to the Bay of Fonseca, on the Pacific Coast, and the contract was actually drawn up.

The scheme consisted really of a railway monopoly in Honduras being granted to the Concessionaires for a period of thirty years. \$2,500,000 in Six per Cent.

Bonds were to be issued, repayable in thirty years, and secured by a mortgage on the section of fifty-seven miles already completed.

The Company's Bonds to the above extent were to be exchanged for the Government Bonds now outstanding, at the rate of one Bond of the New Company for ten of the Bonds of the Government, and on completion of the conversion all liability on the part of Honduras was to cease. Such a scheme, of course, would not be acceptable to the External Bondholders.

Señor Soto has since resigned the Presidency of Honduras, and on the 30th of November, 1883, General Luis Bogran was formally declared by the Congress to have been elected President of the Republic.

The Honduras Inter-Oceanic Railway Company is now being wound up, and the Bonds of the Government of Honduras are returnable to the holders in exchange for their Shares, but it is understood that a charge of about £1 per cent. is made by the Liquidator for expenses.

## LOUISIANA.

Outstanding Amount of Debt ... £4,487,000.

### Louisiana Committee.

Right Hon. E. Pleydell-  
Bouverie, *Ex-officio*.

General Sir George Balfour,  
K.C.B., M.P.

Francis Bennoch, Esq.

Louis Floersheim, Esq.

J. A. Hankey, Esq.

Fortescue Harrison, Esq.

G. I. Leon, Esq.

Robert Monckton, Esq.

J. Hume Webster, Esq.

R. J. Wigram, Esq.

*Secretary.*

Hyde Clarke, Esq.

Chief Justice Waite, in the United States Supreme Court, in the month of March last, refused to grant injunctions for

enforcing the rights of the creditors of this State. The suits brought were two in number, of which one was to compel the State Officers to apply to the payment of the Consolidated Bonds of 1874 the proceeds of a certain tax levied ostensibly for that purpose, with respect to which an injunction was refused; the other was brought by the States of New Hampshire and New York against the State of Louisiana and her Executive Officers. The two former States became parties to the suit through the action of individual citizens of these States—holders of Louisiana Bonds—who transferred their private indebtedness to their respective States, making them the plaintiffs.

The Coupons due January 1st, 1880, and subsequent ones, are still being paid at the rate of 2 per cent.

## MEXICO.

### AMOUNT OF EXTERNAL DEBT OUTSTANDING.

Three per cent., 1851     ...     ...     £10,241,650

Three per cent., 1864     ...     ...     4,864,800

Interest in arrear from 1st July, 1866, two-thirds of  
Coupon due 1st July, 1866, paid in 1869.

H. B. Sheridan, Esq., M.P.,  
*Chairman.*

Francis Bennoch, Esq., *Vice-  
Chairman.*

The Right Hon. E. Pleydell-  
Bouverie, *Chairman of the  
Council of Foreign Bond-  
holders.*

The Right Hon. G. A. F.  
Cavendish-Bentinck, M.P.

Lionel N. Bonar, Esq.

D. Castello, Esq.

Roger Eykyn, Esq.

Henry Guedalla, Esq.

James Corbet Irving, Esq.

P. McLagan, Esq., M.P.

B. Newgass, Esq.

Admiral of the Fleet Sir

Provo Wallis, G.C.B.

Edward Wright, Esq.

*Secretary.*

W. W. Holmes, Esq.

The proceedings of this Committee during the year 1883 having been communicated to the Bondholders by printed reports, published and circulated respectively in May and November last, and another communication having been addressed to them in January of this year, it is not necessary to offer here other than a summary of the events to which those publications severally refer.

The arrival of Señor Rivas, with authority to treat for a settlement of the Debt—*ad referendum*—was shortly followed by a public meeting of the Bondholders on the 18th May last, when terms, with which they are familiar, were submitted to their consideration, and accepted with unanimity.

Though the prolongation of the then current Session of the Mexican Cortes, by the President of the Republic, seemed to indicate a desire, on the part of his Administration, to obtain legislative sanction for those terms, what has subsequently occurred shows that, either from misapprehension as to their bearing, or from some latent desire to modify them in a sense deemed beneficial to Mexico, the measures passed failed to confer on the Executive the requisite authority to give effect to the proposed arrangement.

So soon as Señor Rivas saw this he determined to proceed to Mexico, there to urge upon the President and the Legislature the expediency of such amendments being introduced into the legislative enactment of the 14th June as would reconcile it with the spirit of the proposals accepted by the Bondholders.

Although no intelligence of a definite kind has, as yet, been received from Señor Rivas, who appears to have reached Mexico in January of this year, it is understood he found the President disposed to entertain his recommendations favourably.

Meanwhile, with a view to second Señor Rivas's representations, the Committee determined to despatch as their agent to Mexico Mr. Dudley P. Sheridan, who sailed on the 26th December last, and the announcement of whose arrival is now shortly expected.

### MISSISSIPPI.

|                              |        |             |
|------------------------------|--------|-------------|
| Planters' Bank Bonds, 1831-3 | ...    | \$2,000,000 |
| Union Bank Bonds, 1838       | ... .. | 5,000,000   |

#### Committee.

|                                                            |                       |
|------------------------------------------------------------|-----------------------|
| The Right Hon. E. Pleydell-<br>Bouverie, <i>Chairman</i> . | L. G. Moore, Esq.     |
| E. Haslewood, Esq., <i>Vice-<br/>Chairman</i> .            | Arthur Tite, Esq.     |
| L. N. Bonar, Esq.                                          | William Trotter, Esq. |
| J. Crouch, Esq.                                            | J. T. Wood, Esq.      |
| G. H. Hopkinson, Esq.                                      | <i>Secretary.</i>     |
|                                                            | Hyde Clarke, Esq.     |

The Committee, who found they could only act with effect in the interest of the Bondholders by having their direct authority to treat for an arrangement and to decide upon the course to be taken from time to time on their behalf, called a General Meeting of the holders of Mississippi Bonds, in June last, which unanimously passed the following Resolutions:—

1. That the Committee of Bondholders of the State of Mississippi be requested and authorised to take such measures and arrange such terms on behalf of the Bondholders, for the settlement of their claims on the State, as the Committee may think expedient.

2. That this General Meeting calls on Bondholders to deposit their Bonds with the Council of Foreign Bondholders, for the purpose of giving to the Committee a direct right of representation of the Bondholders and plenipotentiary powers for all purposes, to be exercised in any manner they may deem necessary or expedient to effect a settlement, and with right to bind the Bondholders to any appropriations or deductions from the new Bonds to be issued which they may deem expedient or authorise, and in addition thereto to deduct not exceeding 5 per cent. of such new Bonds for their remuneration exclusive of all outlays.
3. That at the end of three years from this date the Bondholders who have deposited their Bonds may demand the return of them on the presentation of the certificates, without any charge for expense.

These resolutions were duly communicated to certain persons in the United States of America, interested in Mississippi securities, with whom the Committee had been in previous confidential communication for a considerable time, and to two of whom the Council and the Committee have given powers to represent them in negotiating with the State of Mississippi for the recognition and settlement of the claims of the Bondholders.

Nothing, however, can be done by the Legislature, even were it most favourably disposed to an arrangement, without repeal of an existing Article of the Constitution of the State, which expressly prohibits any recognition or admission of the State Debt. This constitutional Article has to be repealed, for which a Convention of the people of

the State is necessary, before any further action can be taken to effect an arrangement, and to this repeal, therefore, those who are friendly to an attempt to restore the public credit of Mississippi are addressing their best efforts. The Convention if called for the purpose, would have to meet in the present year. Meantime advertisements, inviting a deposit of Bonds here, in accordance with the terms of the second resolution above-mentioned, have been widely circulated, and a considerable portion of the whole amount of the Bonds has already come in and been deposited.

### PARAGUAY.

|                               |     |            |
|-------------------------------|-----|------------|
| Eight per Cent. Loan, 1871... | ... | £957,100   |
| Eight per Cent. Loan, 1872    | ... | £548,300   |
|                               |     | <hr/>      |
|                               |     | £1,505,400 |

In arrear from June, 1874, inclusive.

#### Paraguay Committee.

The Right Hon. E. P.-Bouverie, *Chairman*.  
 General Sir George Balfour,  
 K.C.B., M.P.  
 F. Bennoch, Esq.  
 Lt.-Colonel W. T. R. Betty.  
 L. N. Bonar, Esq.  
 R. J. Browne, Esq.  
 George Herring, Esq.  
 L. R. Lock, Esq.

J. Percy Leith, Esq.  
 M. Van Raalte, Esq.  
 Admiral F. H. Sterling.  
 G. N. Strawbridge, Esq.  
 S. Leith Tomkins, Esq.  
 H. Woodfall, Esq.  
 E. Zuccani, Esq.

*Secretary.*

Hyde Clarke, Esq.

#### Paraguay Sub-Committee.

The Right Hon. E. P.-Bouverie, *Chairman*.  
 F. Bennoch, Esq.  
 George Herring, Esq.

M. Van Raalte, Esq.  
 G. N. Strawbridge, Esq.  
*Secretary.*  
 Hyde Clarke, Esq.

Early in the year a very able Report by Mr. Vansittart, the British Secretary of Legation, upon the Commerce and Trade of Paraguay, was published in a Blue Book by the Foreign Office, and in it are reproduced extracts from the Report of the Minister of Finance. One of these extracts is as follows:—

“The Government is awaiting fresh proposals on the part  
“of the Council.”

The Council and the Committee of Paraguay Bondholders therefore determined to send out another Agent to Paraguay, with the object of once more trying to make some arrangement for the settlement of the External Debt. For this purpose they had obtained the promise of the services of a gentleman formerly connected with the Diplomatic Service, who was well acquainted with the country and institutions of Paraguay, and was highly qualified to discharge the duties of so difficult a mission. Unfortunately, on the eve of his departure to Asuncion, this gentleman was laid up with fever, which prevented his undertaking the proposed mission.

During the past year, diplomatic relations with Paraguay have been resumed by Great Britain, and the Hon. G. G. Petre has represented the British Government at Asuncion.

The revenue of the country is steadily increasing; in 1870 it was £20,000, while in 1881 it reached £100,000.

Immigration still continues, and the value of land has largely increased.

The Customs Returns for 1881 are officially stated to be:—

|         |     |     |     |     |             |
|---------|-----|-----|-----|-----|-------------|
| Exports | ... | ... | ... | ... | \$1,928,548 |
| Imports | ... | ... | ... | ... | 1,204 469   |

---

Showing a balance in favour of Exports ... \$724,079

## PERU.

Six per Cent. Bonds of 1870 outstanding ... £11,141,580  
 Five per Cent. Bonds of 1872 outstanding ... 20,437,500  
 In arrear from 1st July, 1876, inclusive.

## PISCO TO YCA RAILWAY FIVE PER CENT. LOAN OF 1869.

Amount issued ... .. £290,000  
 „ outstanding ... .. 264,680  
 „ registered up to date of Chilian Decree of  
 February 23rd, 1882 ... .. 259,500  
 In default from July 1st, 1876, inclusive;  $8\frac{1}{2}$  years, at  
 £20,300 per annum, for interest and sinking fund.

## Committee.

|                                |                          |
|--------------------------------|--------------------------|
| Right Hon. E. P.-Bouverie,     | J. Leigh S. Hatton, Esq. |
| <i>Chairman.</i>               | G. T. Rait, Esq.         |
| F. Campion, Esq.               |                          |
| Lieut.-Col. H. M. Le Champion. | <i>Secretary.</i>        |
| R. Eykyn, Esq.                 | Hyde Clarke, Esq.        |

The net proceeds of the first shipments of guano consigned under the Chilian Decree of 22nd February, 1880, are now represented by £55,100 invested in Consols, and £821 in cash lodged in Court in the action of *Watson v. Cave*.

The sums claimed for services, &c., as mentioned in previous reports, amounted in the whole to £67,371 8s. 7d. These claims, on reference to Mr. Holl, Q.C., and afterwards confirmed by the Court, were fixed at the following sums:—

|                                     |         |    |    |
|-------------------------------------|---------|----|----|
| Mr. J. Croyle...                    | £24,000 | 0  | 0  |
| Mr. J. Procter                      | 11,400  | 0  | 0  |
| The Peruvian Guano Company, Limited | 4,739   | 9  | 9  |
| Mr. T. Cave                         | 2,300   | 0  | 0  |
| Mr. J. Nelson                       | 1,468   | 13 | 8  |
| Mr. W. Routledge                    | 994     | 13 | 0  |
| Certain costs and expenses          | 594     | 8  | 5  |
|                                     | <hr/>   |    |    |
|                                     | £45,497 | 4  | 10 |

It will be remembered that the Chilian Government in February, 1882, put an end to further shipments under the Decree of 1880, and directed the liquidation of the account sales. On the completion of these accounts the Chilian Minister, at the end of November, 1883, deposited at the Bank of England, to the order of the Peruvian Bondholders' Committee, the net balance, amounting to £196,887 14s. 8d., for distribution in terms of the Decrees, "amongst the Foreign Holders of Peruvian Bonds who have "a hypothecation on the guano deposits;" and who have complied with the requisition of the Government to register their Bonds prior to February 23rd, 1883. In making this deposit, the Minister expressly recognised the right of those Pisco to Yca Bondholders, whose Bonds were deposited and registered with the Council of Foreign Bondholders, to participate in the distribution, and stated that "the Chilian Government does not enter (*sic*) to decide "any questions of priority among the Peruvian Bondholders, "and leaves therefore these questions to be settled as "the Bondholders themselves may choose."

The action of *Watson v. Cave*, which had been instituted for determining these questions, was thereupon supplemented by a proceeding under the title of *Tyler v. Rait*, in order to cover the whole of the questions involved, both as to the sum paid into Court and that afterwards paid to the order of the Peruvian Committee. These proceedings have, since the close of the year, been brought to a hearing. The Pisco to Yca Bondholders were represented through Mr. Rait, a member of the Committee, as the nominal Defendant, by Mr. Horace Davey, Q.C., and Mr. Methold, who claimed for these Bondholders the same right of priority of payment out of the funds available for distribution as was undoubtedly given to them in terms of the documents on the faith of which the Loans were raised.

Mr. Justice Chitty, however, on January 22nd, 1884, delivered a judgment unfavourable to this claim.

The following extracts from the shorthand notes of this judgment will indicate generally the grounds on which this decision is (though it is believed erroneously) based.

Referring to the Decree of February 22nd, 1880, Mr. Justice Chitty stated the direction of the Chilian Government is, "to divide the net proceeds amongst the Foreign Peruvian Bondholders who have a hypothecation on the guano deposits. There is not one word there said in regard to priorities, and of course it is a question of what the intention of the Government was in making this Decree—did they intend that the net proceeds should be divided amongst the Foreign Peruvian Bondholders, according to what their rights and interests would have been if they had been claiming against the Peruvian Government, and the Peruvian Government had waived its sovereignty and allowed them to sue? It appears to me, on the fair construction of this portion of the document, there is no reference to the rights and interests of the Bondholders. . . . There is no direction that they are to take according to the rights and interests which would have subsisted under the Peruvian Decrees. It is a matter of bounty, not a matter of right. . . . This Decree created new rights, and it is to the Decree itself that I must turn to see what these rights are, and the Decree is silent with regard to priority. That is my opinion upon the Decree of 1880."

With regard to the letter of the Chilian Minister of November 28th, 1883, in which it was stated that the Government does not "enter to decide any questions of priority," Mr. Justice Chitty proceeded—"The meaning, to my mind, is perfectly plain that the Chilian Government intended by this clause to say, if there are questions of priority, and what the priorities are, by this document

“ we state that we do not in any way enter upon the consideration of those questions. The Government appears to me by this statement unmistakably to mean that they leave that upon the prior document. The suggestion [of Counsel] “ was that the Chilian Government said they *have* not entered upon the question. The statement here is that they merely *do* not enter upon the question ; they do not refer to the other documents that have emanated from the Chilian Government in any way, and it appears to me that it is an extraordinary straining of its language to say that the effect of it is to show that by the original decree the Chilian Government intended to keep alive the priorities of the various Bondholders.

“ That is my decision with reference to the Chilian documents themselves ; but there is this further consideration, “ were there any priorities existing among the Peruvian Bondholders, *inter se*, at the date of this Chilian Decree, “ because if there were not, it follows that the Chilian Government would be silent on the question. If the “ Chilian Decree means to divide according to their rights “ and interests, that must mean according to the rights and “ interests such as would be subsisting at the time of the “ Decree.”

Pierola, the Supreme Chief and Dictator of Peru, had on the 7th January, 1880, issued a Decree which propounded a scheme for consolidating all the outstanding Peruvian Loans into one, by the issue of new Bonds and Railway securities, but which scheme has never been in any way acted on or carried into effect, and which, it was contended on the part of the Pisco to Yca Bondholders, could have no effect or operation whatever to vary rights under the existing Bonds to the proceeds of guano derived under the Chilian Decrees. This Decree is referred to in the following comments of Mr. Justice Chitty :—

“ There was a Peruvian Decree which certainly preceded  
 “ the Chilian Decree by only a very short period of time, and  
 “ there is no evidence to show one way or the other whether  
 “ the Chilian Government were aware of it ; but still, if that  
 “ is to be the reading, contrary to my opinion, of the  
 “ Chilian Decree—namely, that the fund is to be distri-  
 “ buted according to the rights and interests of the  
 “ Peruvian Bondholders according to the Peruvian Decree,  
 “ there is this material Decree to be taken into consideration.  
 “ . . . . Upon the true construction of this instrument, it  
 “ appears to me that all the priorities which did exist before  
 “ (which I am assuming for this purpose) had been abolished.  
 “ The first article is, ‘ Let the debts contracted in Europe in  
 “ ‘ 1870, that of 1872, and the Pisco and Yca Bonds ’  
 “ (which are the Bonds for which alone priority has been  
 “ claimed) ‘ be consolidated into one.’ Then there are various  
 “ other provisions which I need not go through. There are  
 “ provisions which regulate again and diminish, it appears to  
 “ me, the *quasi* rights, because I know I am dealing with rights  
 “ created by a free power, and I cannot call them rights in the  
 “ strict sense, but the *quasi* rights of the Bondholders with  
 “ reference to the guano itself. . . . and there is the 9th  
 “ Article which provides a new and different mode of pay-  
 “ ment, and to a certain extent I should take it would dimi-  
 “ nish the security which there was, treating prior decrees  
 “ as if they did create a security. They do of course create  
 “ a *quasi* security, which would be to a very considerable  
 “ degree modified. It was argued on the part of the Pisco  
 “ and Yca Bondholders that this was a mere offer which  
 “ was not executed. I dissent entirely from that argument.  
 “ It appears to me that on the face of it the Government  
 “ of Peru for the time being did, by this Decree, effectively,  
 “ so far as the Government could, consolidate all the debts  
 “ into one, and abolish priority. That being my opinion

“ on these two points, it is unnecessary to go into the earlier “ Peruvian Decrees to see whether there was any priority.”

Shortly stated, the judgment is to this effect:—

(1.) The claims amounting to £45,497 4s. 10d., and the costs of the proceedings are to be paid rateably out of the £56,000 in Court, and the £197,000 in hands of the Peruvian Committee.

(2.) The balance of the £56,000 to be distributed rateably amongst all the holders of Bonds of the Pisco to Yca Loan, and of the Peruvian Loans of 1870 and 1872, whether registered or not.

(3.) The balance of the £197,000 to be distributed rateably amongst such holders of Bonds of the three Loans above mentioned as were registered in pursuance of the Chilian Decree prior to February 23rd, 1882.

(4.) The rateable distribution to be made on the basis of the outstanding principal of the Bonds, plus the arrears of interest thereon. The effect of this is to place the two 5 per Cent. Loans (*i.e.*, the Pisco to Yca Loan and the Peruvian 1872 Loan) on the same footing, and to give a preference to the Peruvian Loan of 1870, the interest arrears of which will be calculated at 6 per cent., as against 5 per cent. on the two first-mentioned Loans.

The Committee are advised that there is good prospect of this decision being reversed on appeal, and they have directed that an appeal to the Lords Justices be prosecuted with all possible diligence.

The present available funds represent only between  $\frac{1}{2}$  per cent. and  $\frac{3}{4}$  per cent. on the nominal amount of the whole Debt. On the other hand, if the appeal should be successful, they will provide for the whole of the arrears of interest and sinking fund of the Pisco to Yca Loan for  $8\frac{1}{2}$  years up to January 1st, 1884, amounting in all to 42 per cent. for interest arrears, and 17 per cent. for arrears of sinking fund.

Mr. Justice Chitty's decision will not directly determine the mode of distribution to be made of the moiety of the net proceeds of the 1,000,000 tons of guano authorised to be extracted under the Chilian Decree of February 9th, 1882, which provides that "The net proceeds of the guano shall be distributed in equal parts between the Chilian Government and those creditors of the Peruvian Government whose titles of credit may appear to be sustained by the guarantee of this substance of guano;" and declares that a Board of Arbitrators shall be constituted, "who shall solve the various difficulties that may arise as to payment, legitimacy, or validity of their titles, and the priority that their respective credits are entitled to."

Technical difficulties arose as to the appointment by the different classes of Bondholders of this Board of Arbitrators, and the time limited by the Decree having expired, the appointment now rests with the Chilian Government.

Meanwhile, the further extraction of guano has been suspended in consequence of steps taken by the Contractors to have their Contract rescinded on the ground of the guano shipped not having been up to sample. Since the suspension of shipments by the Contractors the Government have themselves shipped some 60,000 tons to Europe.

The Peruvian Committee issued to their constituents, on the 31st of December, 1883, a report giving a number of details of interest to all classes of Peruvian Bondholders, and to which it is not necessary further here to advert.

The Pisco to Yca Committee have by no means lost sight of the Railway and the claims which the Bondholders have in respect of it. With the establishment of peace between Chili and Peru it may be hoped that some arrangement may become possible for placing the line again in a working state, and securing to the Bondholders some future, if not immediate, benefit from it. The Committee have been in communication with some capitalists on this subject,

and although negotiations are for the moment suspended, they are likely to be recommenced at an early date.

The Committee feel that the questions which have arisen in relation to this Loan are of vital importance to all Bondholders, to whom special hypothecations have been given, and on the faith of which Loans have been raised. It is impossible by legal proceedings to enforce rights against Foreign States, or to compel or influence their recognition except by appeal to public opinion, and to the Stock Exchanges of Europe to decline quotations of Loans of States which disregard special pledges. In the present case the Committee do not believe that it was ever the intention of the Chilian Government in their Decrees to disregard the special rights of the Bondholders, but however this may be, the English Courts have at present held that this is the true construction of these Decrees.

### SANTO DOMINGO.

Six per Cent. Loan, 1869, outstanding ... £714,300  
In arrear from January, 1873, inclusive.

#### Santo Domingo Committee.

|                                    |                         |
|------------------------------------|-------------------------|
| F. Bennoch, Esq., <i>Chairman.</i> | R. L. Morris, Esq.      |
| Lieut.-General J. L. Vaughan,      | J. G. Peckham, Esq.     |
| C.B., <i>Deputy-Chairman.</i>      | Chas. Penruddocke, Esq. |
| Right Hon. E. Pleydell-            | C. W. Price, Esq.       |
| Bouverie, <i>Ex-officio.</i>       | V. D. Ray, Esq.         |
| E. Lennox Boyd, Esq.               | P. C. Renton, Esq.      |
| Robert Bradshaw, Esq.              | W. Richardson, Esq.     |
| C. A. Day, Esq.                    | Aug. Styles, Esq.       |
| Capt. W. Delf.                     | G. R. Walker, Esq.      |
| Major J. C. Harris, R.E.           | Count M. G. de Wezele.  |
| Rev. E. S. Hart.                   | C. O. Wombwell, Esq.    |
| H. B. Hyde, Esq.                   |                         |
| W. Johnson, Esq.                   | <i>Secretary.</i>       |
| Robert Monekton, Esq.              | Hyde Clarke, Esq.       |

Nothing material has been done during 1883 by the Government of this Republic to lead to a settlement with the Bondholders.

## SPAIN.

|                                        |     |     |     |     |             |
|----------------------------------------|-----|-----|-----|-----|-------------|
| Two per Cent. Coupon Bonds, 1877, out- |     |     |     |     |             |
| standing                               | ... | ... | ... | ... | £3,793,125  |
| Four per Cent. Bonds, 1882             | ... | ... | ... | ... | £77,183,597 |

### General Committee of Holders of the External Debt.

Thus marked \* are Members of the Executive Committee.

|                                       |                               |
|---------------------------------------|-------------------------------|
| * F. Bennoch, Esq., <i>Chairman</i> . | Commissary-General R. M.      |
| * The Right Hon. E. Pleydell-         | Gardiner.                     |
| Bouverie, <i>Ex-officio</i> .         | James Gardner, Esq.           |
| Augustus B. Abraham, Esq.             | John Goddard, Esq.            |
| General Sir George Balfour,           | Wm. Grain, Esq.               |
| K.C.B., M.P.                          | G. de G. Griffith, Esq., M.D. |
| * W. H. Bishop, Esq.                  | W. Griffith, Esq.             |
| * Lionel N. Bonar, Esq.               | Rev. W. B. Harrison.          |
| The Right Hon. the Earl of            | Spencer Herapath, Esq.        |
| Carnwath.                             | * Geo. Herring, Esq.          |
| Andrew Cassels, Esq.                  | Rev. W. Hodgson.              |
| * M. Castello, Esq.                   | Arthur Kimber, Esq.           |
| J. W. Chater, Esq.                    | G. I. Leon, Esq.              |
| * David Clarke, Esq.                  | C. E. Lewis, Esq., M.P.       |
| John Collinson, Esq.                  | Chas. Magniac, Esq., M.P.     |
| Chas. John Croke, Esq.                | W. H. Mogg, Esq.              |
| R. Dixon, Esq.                        | Parkinson Oates, Esq., M.D.   |
| W. Duncan, Esq.                       | G. W. Obicini, Esq.           |
| * Roger Eykyn, Esq.                   | D. Robinson, Esq.             |
| J. Figgins, Esq.                      | Christopher Rowlands, Esq.    |
| Henry I. Fotherby, Esq., M.D.         | Thos. Rumball, Esq., M.I.C.E. |
| Captain T. Fuller.                    | Thos. Sidney, Esq., Alderman. |

- H. Skynner, Esq.
- \* H. Solomon, Esq.
- G. N. Strawbridge, Esq.
- \* C. Surgey, Esq.
- W. Trotter, Esq.
- John Vade, Esq.
- \* Lt.-Gen. J. L. Vaughan, C.B.
- Lieut.-Col. Vickers.
- Chas. Waring, Esq.
- \* H. A. Withers, Esq.

J. H. Wolton, Esq.  
 Edwd. Wright, Esq.  
 Admiral of the Fleet, Sir  
 Provo Wallis, G.C.B.  
 J. Eveleigh Wyndham, Esq.

*Secretary of the Committee.*

Hyde Clarke, Esq.

The duties of the Executive Committee of Spanish Bondholders elected in 1882 have been light during the past year; and there has been no matter calling for the consideration of the General Committee. Some difficulties were experienced in the early part of 1883, owing to needless delay in the payment of the dividends upon the Unconverted 3 per Cent. External Debt. Representations made by the Committee to the Agency and to the Spanish Finance Department resulted in the necessary orders from Madrid, and the dividends upon the Unconverted 3 per Cents. were paid in due course; the matter having been the subject of an interpellation in the Spanish Chambers on the 22nd January, 1883.

In the month of March a Bill was laid before the Chamber by the Minister of Finance to provide during the next 20 years an annual sum of £320,000 for interest on and redemption of a loan of £3,400,000 effective value; the money to be applied to roads, canals, railway, and other indispensable public works.

The Budget for 1883-4 was in the same month presented by the Minister to the Cortes. Among the estimates figured a sum of £1,600,000 additional interest on the 4 per Cent. Debt in excess of the sum hitherto assigned to the Public Debt.

The Budget was favourably criticised by the English Press. A statement was, however, made that the Bank of Spain had failed in its effort to obtain a loan of £2,000,000 from French and Belgian Firms, and an attempt to negotiate in London a loan for the same establishment, was understood to have met with no better success. Ultimately, a loan was stated to have been made in Paris.

In May the Bill for the projected Public Works Loan of 85,000,000 pesetas (£3,400,000) was withdrawn by Señor Cuesta, the Finance Minister.

In June, 1883, the following notice was issued by the Spanish Commission :—

“Spanish Financial Commission. The Bonds of the 3  
 “per Cent. Consolidated Exterior Debt of Spain have  
 “been received by the Government for conversion into  
 “4 per Cent. Stock to the extent of nearly the total  
 “amount of the issue, only 1 per cent. of the whole  
 “being still outstanding. The holders of the 4 per  
 “Cent. Stock will now commence to receive a yearly  
 “interest of  $1\frac{3}{4}$  per cent. on the equivalent amount of  
 “the old 3 per Cent. Stock accruing from the 1st July  
 “next, payable quarterly, while those who have not  
 “converted will continue to receive a half-yearly  
 “interest at the rate of  $1\frac{1}{4}$  per cent. per annum. The  
 “Commission deems it right to call the attention of  
 “the holders of Unconverted Stock to these facts, and  
 “to remind them that the conversion still remains  
 “open.”

F. L. DE RETES,

*President.*

37, NEW BROAD STREET, E.C.

20th June, 1883.

The following statement of the Spanish Debt was received in June last from Madrid :—

Statement of the respective amounts of the several classes of State Debt, called in for conversion under the Laws of 9th December, 1881, and 29th May, 1882, showing the amount converted; the amount remaining unconverted and continuing subject to the Law of 21st July, 1876; the amount awaiting conversion under the Law of 29th May, 1882; and, lastly, the amount of Stock issued under the latter law and that of 9th December, 1881, up to the 15th February, 1883.

| Classes of Debt.                                | Amount of Debt called in for Concession. | Amount Converted.             | Amount remaining subject to Laws of 21st July, 1876. | Amount awaiting Conversion.  | Amount issued for Conversion. |                               |
|-------------------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------------|------------------------------|-------------------------------|-------------------------------|
|                                                 |                                          |                               |                                                      |                              | 4 per Cent. Redeemable.       | 4 per Cent. Perpetual.        |
| 2 per Cent. Redeemable Debt (Internal)          | Pesetas.<br>475,088,800                  | Pesetas.<br>475,088,800       | Pesetas.<br>108,170,200                              | Pesetas.<br>..               | Pesetas.<br>279,464,000       | Pesetas.<br>..                |
| Debt of the Treasury (External)                 | 247,703,200                              | 139,533,000                   | ..                                                   | ..                           | 85,339,740                    | ..                            |
| " " (Material) ..                               | 328,065                                  | 328,065                       | ..                                                   | ..                           | 385,959                       | ..                            |
| " " Shares (Personnel) ..                       | 8,361,188                                | 3,869,938                     | 4,491,250                                            | ..                           | 3,642,294                     | ..                            |
| Public Works Shares ..                          | 10,502,500                               | 8,738,500                     | 1,714,000                                            | ..                           | 7,857,953                     | ..                            |
| Highways Shares, April, 1850 ..                 | 2,617,000                                | 2,617,000                     | ..                                                   | ..                           | 3,079,000                     | ..                            |
| " " August, 1852 ..                             | 5,745,000                                | 4,511,500                     | 1,223,500                                            | ..                           | 4,246,118                     | ..                            |
| " " June, 1856 ..                               | 152,500                                  | 90,500                        | 62,000                                               | ..                           | 85,177                        | ..                            |
| " " July, 1856 ..                               | 1,519,500                                | 1,344,000                     | 175,500                                              | ..                           | 1,264,942                     | ..                            |
| Bonds of Consolidated Debt (External) ..        | 4,098,434,000                            | 4,023,749,000                 | ..                                                   | 69,685,000                   | ..                            | 1,935,118,000                 |
| Stock issued in favour of Civil Corporations .. | 3,223,402,336                            | 2,866,560,000                 | ..                                                   | *356,842,336                 | ..                            | 1,249,309,312                 |
| Railways State obligations ..                   | 709,895,506                              | 592,875,000                   | ..                                                   | 709,895,506                  | ..                            | 518,765,625                   |
| Totals.. .. Say                                 | 9,384,271,095<br>£376,370,844            | 8,119,355,303<br>£324,774,212 | 115,836,450<br>£4,633,458                            | 1,149,069,842<br>£46,962,774 | 385,365,183<br>£16,414,607    | 3,703,192,937<br>£148,127,717 |

\* The 356,842,336 pesetas Consolidated Internal Debt awaiting conversion are for the most part Stock, issued in favour of private individuals which, like that of Civil Corporations, is not to be converted until the 1st June, 1884.

The Budget for 1883-4, published in Madrid :—

### ORDINARY EXPENSES.

#### *General Obligations of State.*

|                               | Pesetas.    | Pesetas.    |
|-------------------------------|-------------|-------------|
| Royal Family ... ..           | 9,800,000   |             |
| Legislative Chambers ...      | 1,918,785   |             |
| Public Debt Service ... ..    | 273,883,448 |             |
| Administration of Justice ... | 2,467,743   |             |
| Pensions... ..                | 47,963,446  |             |
|                               | <hr/>       | 336,033,422 |

### MINISTERIAL DEPARTMENT.

#### *Salaries.*

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Office of the President of Council | 1,101,709   |             |
| Ministry of Foreign Affairs ...    | 3,676,370   |             |
| „ Grace and Justice...             | 54,993,815  |             |
| „ War ... ..                       | 123,360,208 |             |
| „ Marine ... ..                    | 33,526,582  |             |
| „ of the Interior ... ..           | 46,175,139  |             |
| „ Public Works ... ..              | 45,191,360  |             |
| „ Finance ... ..                   | 20,371,921  |             |
| Collection of Revenue...           | 137,394,050 |             |
|                                    | <hr/>       | 465,791,154 |
| Total Expenditure ... ..           |             | 801,824,576 |
| Extraordinary Expenses ... ..      |             | 77,928,218  |
|                                    |             | <hr/>       |
| [Equal to £35,190,112.]            |             | 879,752,794 |
|                                    |             | <hr/>       |

### ORDINARY REVENUE.

|                          | Pesetas.    |
|--------------------------|-------------|
| Taxes ... ..             | 260,295,000 |
| And Contributions ... .. | 131,829,000 |
|                          | <hr/>       |
|                          | 392,124,000 |

|                                              | Pesetas.           |
|----------------------------------------------|--------------------|
| Customs ... ..                               | 123,808,000        |
| Government Monopolies, Tobacco, Lotteries... | 251,290,000        |
| State Property and Rights ... ..             | 13,994,886         |
| Miscellaneous ... ..                         | 21,210,000         |
| Total Ordinary Revenue ... ..                | 802,376,886        |
| Extraordinary Revenue ... ..                 | 77,931,050         |
| [Equal to £35,212,317.]                      | <u>880,307,936</u> |

The accounts for the year have not yet been published, but the revenue return has been favourable, an abundant harvest having contributed greatly to this result.

There are many matters of interest to the Bondholders which cannot be easily included within the limits of this Report. In an agricultural country like Spain, the means of transport are almost of greater moment than the quantity of produce raised. The numerous mountain chains form barriers which impede communications, only to be made effective by means of Railways. Whatever the vicissitudes of crops in Spain, the extension of Railways must be accompanied by an extension of commerce, giving strength to and increasing the prosperity of the country.

The causes which really affect the growth of the Revenue of Spain are chiefly political. The country, it has been said, grows rich; the Treasury is poor. The contest between the administration on the one hand and the industrial interests of the country on the other, as to the effective realisation of the Customs Revenue, unfortunately continues.

The absorption of the Bonds of the National Debt within the country itself is not likely to take place until there is a permanent condition of internal peace. It is such absorption which, as in England, the United States, France

and Germany, can alone give stability to the Home Market, and limit the fluctuations of prices in the Foreign Markets. In Spain a larger proportion of the National Funded Securities is held than in many European countries; but the operations in them tend rather to disturb the External Markets than to give them stability; as at times securities are attracted to Madrid, and at others exported thence. Similar movements in the National Debt are seldom experienced in any of the other European countries.

FRANCIS BENNOCH,

*Chairman of Committee.*

## TENNESSEE.

The position of affairs with regard to this debt cannot be said to have become much more satisfactory to holders since last year. On the 7th March last, however, a new "Debt Funding Bill" was passed by the Representative Chamber of the Legislature, providing for "scaling" down the principal of the Debt to 50 per cent. and 3 per cent. interest. This Bill was shortly afterwards passed by the Senate and ratified by the Governor. The funding of the Bonds began about the middle of July, the New Issue being redeemable in one, two, three, four and five years—up to August 31st \$1,500,000 of Bonds had been received by the Funding Board, and new Bonds had been issued to the amount of \$900,000.

## TURKEY.

## REDUCED DEBT UNDER DECREE OF DEC. 8-20TH, 1881.

|                                              |        |              |
|----------------------------------------------|--------|--------------|
| Group I.—Loans 1858 and 1862                 | ... .. | £7,183,872   |
| „ II.—Loans 1860, 1863-4, and Treasury Bonds | ... .. | 10,241,048   |
| „ III.—Loans 1865, 1869, 1873                | ... .. | 30,832,511   |
| „ IV.—General Debt and Lottery Bonds         |        | 58,179,803   |
|                                              |        | <hr/>        |
|                                              |        | £106,437,234 |
|                                              |        | <hr/>        |

Jont Commission for the Ottoman Loans of 1858 and 1862  
under the Convention of February, 1873.

|                                                          |                                          |
|----------------------------------------------------------|------------------------------------------|
| The Light Hon. E. Pleydell-<br>Bowerie, <i>Chairman.</i> | H. A. Withers, Esq.<br><i>Secretary.</i> |
| Franci Bennoch, Esq.                                     | Hyde Clarke, Esq.                        |
| Roger Eykyn, Esq.                                        | <i>Agent in Constantinople.</i>          |
| Thomas Rumball, Esq., M.I.C.E.                           | Captain Stab.                            |

The Commissioners for the 1858 and 1862 Ottoman Loans, appointed pursuant to the Convention of the 4th and 14th February, 1873, have continued as heretofore to discharge their duties on behalf of the Bondholders of those Loans.

They have duly watched the execution of the arrangements made pursuant to the late Imperial Iradé, and the application of the Sinking Fund by the Council in Constantinople has been a special matter of attention by the Commissioners, as to which they are still in correspondence with the Council at Constantinople.

On the 29th March they made representations against the amortisation of unregistered Bonds, and the mode of redemption by tender, and they sent a protest on the subject to the Imperial Ottoman Bank.

At a later period, when it was reported that numbers of

Bonds of the 1858 and 1862 Loans had been purchased for the Sinking Fund, they addressed to the Council of the Public Debt an urgent request for the publication of the numbers of the Bonds purchased and other particulars. This was partially complied with.

The second and third coupons on the registered Bonds and those stamped for Conversion, due respectively on March 13 and September 13, 1883, have been paid at the rate of one per cent. It has been impossible, so far, to allot a higher rate than the minimum laid down by the *Iradé* of December 8-20, 1881, owing to the somewhat stationary position of the assigned revenues.

This position arises chiefly from two causes:—Firstly: The imminent commencement of the Tobacco Regie, which has unsettled the present administration of the Tobacco Revenue, owing to the uncertainty in which not only the present growers and sellers find themselves as to their future position, but also the doubt entertained by the *employés* of the present Administration as to whether or no their services will be retained by the Regie Company. Secondly: The extremely unsatisfactory state of the Provinces in regard to contraband.

The first of the points above referred to will disappear at the close of the present financial period. The second point presents more serious difficulties, and every endeavour is now being made to overcome them. Special attention will be called to this question lower down.

This Council understand that about £100,000 was applied to the service of the Sinking Fund for the six months ending September 13th, 1883, resulting in a purchase of about £377,000 of Registered Bonds of Group I., and this gives a total for the first twenty months of the administration of about £250,000 applied, and about £762,000 purchased. It is hoped that a further considerable sum may be

forthcoming at the close of the present financial year to continue the redemption of the first group.

The very important question of the contributive parts of the Ottoman Public Debt to be borne by the Balkan States has not yet been settled. Both this Council and the English Bondholders' Representative in Constantinople have not ceased to make every exertion to promote a solution of this question, and fair hopes may now be entertained that an arrangement of it will not be long deferred. Mr. Valfrey, who had been charged by the French Bondholders with the mission of endeavouring to bring about an *entente cordiale* amongst the Great Powers on the subject, has now been requested, and has cordially consented, to represent the interests of the English and Dutch Bondholders also. This gentleman, whose ability and energy are well known, proceeds early in February to St. Petersburg, by the invitation of M. Giers, the Russian Minister for Foreign Affairs, there to endeavour to overcome the principal difficulties still standing in the way of a final and satisfactory conclusion of the matter.

Eastern Roumelia, whose share of the Public Debt had been fixed by the Commission which drew up the regulations of the Eastern Roumelian Constitution at £240,000 per annum for the first five years, with a subsequent increase, has continued to pay only at the rate of £180,000 per annum. The Porte has continually protested against this unjustifiable reduction, and it is understood that negotiations are now pending, by which a more satisfactory arrangement may be arrived at.

For all information and detail as to the financial period ending March, 1883, the Council begs to refer to the report issued in August, 1883, by the Council of Administration at Constantinople. A similar report on the present financial period is expected soon after its close.

Mr. Edgar Vincent having been appointed European Financial Adviser to the Egyptian Government, the Council of Foreign Bondholders, on October 17th, elected Mr. Vincent Caillard his successor as English and Dutch representative on the Council of Administration.

Since the arrival of Mr. Caillard in Constantinople three principal questions have arisen :—

FIRST.—A proposal was made to the Council of Administration to apply a special stamp to the Priority Bonds, setting forth that the interest on these was to be provided preferentially out of the revenue accruing to the Administration from the Tobacco Régie. This proposal, to which grave objections were entertained, has been abandoned.

SECOND. THE CONVERSION.—It will doubtless be remembered that the Conversion of the Debt was at first expected to commence in September last, but was subsequently deferred till November, and, on account of various difficulties which presented themselves, was again delayed until March of the present year. These difficulties have been gradually overcome, and the Council of Administration appears determined to commence the Conversion at the earliest possible moment ; but the delegate to be named by the Turkish Government to superintend the conversion at Paris and in London has not yet been appointed. The Porte has been strongly urged to avoid all further delay.

The Stamp Duty on the new Converted Bonds, the total amount of which was so large that its payment seemed likely to prevent the conversion being effected, was, at Mr. Caillard's suggestion, left to be paid by the individual Bondholders. This Duty amounts in England to 9d. on each new Bond of £100, stamped for Conversion, if issued in exchange for previously English-duty-paid Bonds ; and to 2s. 6d. on each Bond of £100 if issued in exchange for Bonds not previously stamped.

THIRD. THE QUESTION OF CONTRABAND IN THE PROVINCES.—This question has now assumed a grave form. The Porte has thought fit to contest the right of the Administration either to award punishment to the contrabandists or to bring them, when necessary, before the Local Tribunals, a right which, up till July last, had never been contested. At that time, however, a case arose which led to the issue of a Vizierial Decree, refusing this right to the Administration of the Six Indirect Contributions, and affirming that, although the right of seizure lay with them, all penal powers and powers of taking legal action rested with the Director of Customs. The Council of Administration has not ceased energetically to contest this decision and to uphold the rights of the Bondholders, but so far with no result.

Even leaving the question of principle aside, the practical objections to the course taken by the Porte is sufficiently evident. The Customs only exist on the sea-coast and not in the interior, where the greatest part of the contraband trade is carried on; and even on the coasts, where the Customs do exist, no instructions have been issued to the officers of the Porte, and no notice is taken of the applications for such instructions of the Administration of the Six Indirect Contributions.

This impolitic action of the Porte is already producing a serious effect on the revenues of the Administration. This Council will have, therefore, seriously to consider what action it may have to take in order to support the efforts of the Delegates at Constantinople, to whom the Porte agreed to assign the entire control and direction of the Revenue set apart for the Bondholders whom they represent.

The reduced value of the entire Turkish Bonded Debt dealt with by the Iradé of 8/20 December, 1881, represents

|                                                                                                                                                                   |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| a nominal amount of ... ..                                                                                                                                        | £106,437,234       |
| deducting the reduced value of the Lottery Bonds, which the Council of Administration has excluded both from Registration and Conversion, and amounting to ... .. | 14,211,407         |
| a total of ...                                                                                                                                                    | <u>£92,225,827</u> |

remains, which is subject to either Registration or Conversion.

This Registration could only be effected in London, Amsterdam, Rome, and Constantinople, for no Registration Offices were opened in France, Germany, or Austria. The holders in France, where the bulk of the Debt—consisting principally of the 5 per cent. General Debt, and 6 per cent. Bonds of the Loans of 1860, 1863, 1865, 1869, and 1873—is held, had no other option given to them than to have their Bonds “stamped for Conversion,” hence the large preponderance of “Stamped” over “Registered” Bonds.

The following table gives the position of the Turkish Debt on the 31st December, 1883, and embraces all countries where it is held :—

| Loan.                           | Registered Bonds.<br>Reduced Value. | Stamped Bonds.<br>Reduced Value. | Undeclared Bonds.<br>Reduced Value. |
|---------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
|                                 | £      Deci-<br>mals.               | £      Deci-<br>mals.            | £      Deci-<br>mals.               |
| Group I. { 1858                 | 1,934,675·663                       | 960,756·086                      | 549,884·251                         |
| { 1862                          | 2,135,883·709                       | 1,051,418·500                    | 551,253·791                         |
| { 1860                          | 3,357·501                           | 892,727·120                      | 148,116·879                         |
| Group II. { 1863-4              | 27,079·393                          | 2,952,840·520                    | 993,762·087                         |
| { 1872                          | 2,157,343·757                       | 1,659,350·000                    | 1,406,471·243                       |
| { 1865                          | 297,932·322                         | 2,245,048·400                    | 377,782·278                         |
| Group III. { 1869               | 2,464,762·560                       | 8,386,352·960                    | 2,084,484·480                       |
| { 1873                          | 328,914·300                         | 13,877,352·450                   | 819,931·250                         |
| Group IV. :—<br>5% General Debt | 2,865,444·635                       | 34,976,592·900                   | 6,126,358·465                       |
| £92,225,827 }                   | £12,215,393·840                     | £66,952,438·936                  | £13,057,994·224                     |

It will be seen that the holders of £13,057,994, or about 14½ per cent. of the Debt, have not yet declared their intentions.

The subjoined table will be of particular interest to English holders :—

DEBT HELD IN ENGLAND ON THE 31ST DECEMBER, 1883.

| Loan.                           | Registered in London.<br>Reduced Value. |            | Stamped in London.<br>Reduced Value. |             | Undeclared Bonds held in England.<br>Reduced Value. |
|---------------------------------|-----------------------------------------|------------|--------------------------------------|-------------|-----------------------------------------------------|
|                                 | £                                       | Decls.     | £                                    | Decls.      |                                                     |
| Group I. {                      | 1858                                    | 1,757,597  | 513                                  | 960,755     | 154                                                 |
|                                 | 1862                                    | 1,942,183  | 709                                  | 1,107,889   | 500                                                 |
| Group II. {                     | 1860                                    | 2,044      | 250                                  | 553         | 520                                                 |
|                                 | 1863-4                                  | 24,847     | 558                                  | 39,096      | 120                                                 |
|                                 | 1872                                    | 2,014,677  | 626                                  | 1,127,011   | 125                                                 |
| Group III. {                    | 1865                                    | 290,798    | 177                                  | 996,726     | 400                                                 |
|                                 | 1869                                    | 949,391    | 040                                  | 3,443,007   | 360                                                 |
|                                 | 1873                                    | 312,350    | 350                                  | 3,850,593   | 500                                                 |
| Group IV. :—<br>5% General Debt |                                         | 673,436    | 622                                  | 5,126,635   | 650                                                 |
|                                 |                                         | £7,967,326 | 845                                  | £16,652,268 | 329                                                 |

NOTE.—This can only be approximately estimated. A proportionate amount, as given in the preceding table for all countries, is here assumed, say £4,100,000.

DEBT HELD IN HOLLAND AND BELGIUM ON THE 31ST DECEMBER, 1883.

So far as can be ascertained, Bonds stamped for Conversion have no official currency there, so that practically, only Bonds Registered are dealt in.

The amounts registered up to the 31st December, 1883, in Holland and Belgium were as follow :—

|              |                        |     |     | Reduced Value.        |
|--------------|------------------------|-----|-----|-----------------------|
| Group I.     | Loans of 1858 and 1862 | ... | ... | Nil.                  |
| Group II. {  | Loan of 1860 ...       | ... | ... | £1,283-160            |
|              | ditto 1863-4           | ... | ... | 1,648-080             |
|              | ditto 1872 ...         | ... | ... | 21,172-875            |
| Group III. { | Loan of 1865 ...       | ... | ... | 4,473-000             |
|              | ditto 1869 ...         | ... | ... | 1,470,218-880         |
|              | ditto 1873 ...         | ... | ... | 4,464-200             |
| Group IV.    | 5% General Debt        | ... | ... | 2,056,908-375         |
|              | Total Registered       | ... | ... | <u>£3,560,168-570</u> |

The amounts of the Turkish Debt, (excluding Lottery Bonds) held in Italy, Turkey, Germany, and Austria are relatively small; a rough approximation of the probable distribution on the 31st December, 1883, of the Debt, according to countries, may be made as follows:—

|                                        |       |     |     |       |                    |
|----------------------------------------|-------|-----|-----|-------|--------------------|
| England                                | ...   | ... | ... | (say) | £28,700,000        |
| Holland and Belgium                    | ...   | ... | ... | ( „ ) | 4,200,000          |
| France                                 | ...   | ... | ... | ( „ ) | 48,000,000         |
| Italy, Turkey, Germany, and Austria    | ( „ ) |     |     |       | 11,325,827         |
| Total Debt, exclusive of Lottery Bonds | ...   |     |     |       | <u>£92,225,827</u> |

The Lottery Bonds for £14,211,407 reduced value, are principally held in Austria, Germany, Belgium, Holland and Turkey.

## URUGUAY.

Five per Cent. Unified Debt, 1883, £11,127,000, for Conversion of the External and Internal Debt, estimated together to amount to £12,579,740.

### Committee of Uruguay Bondholders.

|                                 |                     |
|---------------------------------|---------------------|
| The Right Hon. E. P. Bou-       | Cyrus Legg, Esq.    |
| verie, <i>Chairman</i> .        | R. Monckton, Esq.   |
| A. W. Ray, Esq., <i>Deputy-</i> | W. Richardson, Esq. |
| <i>Chairman</i> .               | C. H. Stewart, Esq. |
| C. Dear, Esq.                   |                     |
| Coleridge J. Kennard, M.P.      | <i>Secretary.</i>   |
| L. R. Lack, Esq.                | Hyde Clarke, Esq.   |

According to the terms of the Convention entered into with the Bondholders on the 1st July, 1878, the Government of Uruguay should have resumed the full payment of 6 per cent. interest on the External Debt on the 1st January, 1883. Instead of this, however, a proposal from

the Government was submitted to the Bondholders at a General Meeting held on the 10th January, 1883, by which they offered to continue to pay the interest at  $2\frac{1}{2}$  per cent., as they had done since the last arrangement, and also to create a Sinking Fund of  $\frac{1}{2}$  per cent.

The meeting, however, refused to accept this, and offered to take 3 per cent. interest, and to have no Sinking Fund.

Before this alternative proposal could be accepted by the Government, a Commissioner from Uruguay, Mr. Cerruti, arrived in London, and put himself into communication with Messrs. Thomson, Bonar and Co., the agents of the Loan. This gentleman was authorised to negotiate for a conversion of the External and Internal Debts into a General Debt, bearing 5 per cent. interest.

A conference of several influential Bondholders was held at the Council House, and the Council were requested by them to call a general meeting of Bondholders to appoint a Committee of Bondholders to act in conjunction with the Council, and to consider any scheme which should be submitted for the arrangement of the Debt. The Council accordingly convened a meeting, which was held on the 16th of July, at which the Committee was appointed.

M. Cerruti having at length made a definite proposal, a form of General Bond was drawn up and sent to Uruguay by Messrs. Thomson, Bonar, and Co. A copy of this General Bond, as finally approved by the Government of Uruguay, and communicated to the Council by her Majesty's Minister at Montevideo, is annexed. This contains the details of the proposed scheme of unification.

The Government having accepted the form of General Bond, the whole plan of conversion was laid before a general meeting of Bondholders, which was convened by the Council at the request of the Committee. The

meeting having accepted it, Messrs. Thomson, Bonar and Co. are now engaged in carrying out the details of the conversion.

The Bonds which have been registered with them for conversion are quoted officially in the Stock Exchange List.

Pending the completion of the details the Uruguay Government have paid the 3 per cent. interest which the Bondholders agreed to accept at their meeting on the 10th January, 1883.

An accurate copy of the General Bond as published by the Government is annexed.

## THE ORIENTAL REPUBLIC OF URUGUAY.

### GENERAL BOND, TO SECURE A LOAN OF £11,127,000 BRITISH STERLING.

Under the Laws of the said Republic dated the 12th May, 1883, and under the Authorities thereby granted to the Executive Power to proceed to unify the Public Debt; WE, the undersigned, on behalf of the said Republic, certify, covenant, and declare, that the Government of the said Republic has contracted an Unified Loan for the sum of £11,127,000 Nominal British Sterling, which shall be represented by bonds in the form and of the tenor and effect and upon and subject to the terms and conditions following, that is to say—

I. The Bonds of the said Loan shall be to bearer, and shall be sealed with the Seal of the Government of the Oriental Republic of Uruguay, which shall be affixed by His Excellency the Minister of Finance, who shall also sign the same as the representative of, and on behalf of, the Government of the Oriental Republic of Uruguay, or by another representative appointed for that purpose, and

countersigned by Messrs. I. Thomson, T. Bonar and Co., by whom the same shall be issued in the following series, as may be determined by them :—

Series A, Bonds of £1,000 each,

Series B, Bonds of £500 each.

Series C, Bonds of £100 each.

to the total nominal amount of £11,127,000.

II. Every Bond of this Loan shall bear interest at the rate of 5 per cent. per annum from the first day of November, 1884, and there shall be attached thereto Coupons for the interest, to be paid quarterly in London and in Montevideo, upon the First day of April, the First day of July, the First day of October, and the First day of January, at the Counting House of Messrs. I. Thomson, T. Bonar and Co., in Pounds Sterling, and the first payment of interest shall be made upon the First day of April, One thousand eight hundred and eighty-four.

III. The Oriental Republic of Uruguay will provide annually for the redemption of the Loan until the total amount of principal and interest shall be paid, a sum equal to one half per cent. upon the total nominal amount of this Loan. This sum will be invariable and totally applied each quarter of a year by equal instalments upon the nominal amount of the Capital of the Loan, whatever may be the amount of the Bonds which shall exist outstanding or unredeemed. The sums payable for interest on Bonds redeemed will be added to the annual provision as abovesaid, and will also be applied for the redemption of this Loan.

IV. To effectuate the redemption, the Bonds shall be drawn by lot in London, and the first drawing shall be made on or before the first day of January, One thousand eight hundred and eighty-four, and the subsequent drawings on or before the first day of April, the first day of

July, the first day of October, and the first day of January in each year, in the presence of a Notary Public and a member of the firm of Messrs. I. Thomson, T. Bonar and Co. The denoting numbers of the Bonds when drawn shall forthwith from time to time be published twice in two daily morning newspapers in London and Monte Video, and their payment in British sterling at par shall take place three months afterwards, that is on the day next thereafter appointed for payment of interest on the Bonds, that is to say upon the first day of April, the first day of July, the first day of October, and the first day of January in each year which shall first happen, and no Bond when drawn shall bear interest subsequent to the time appointed for its payment, unless from default of the Government it shall not then be paid.

V. The Bonds drawn with interest Coupons not due will be cancelled by Messrs. I. Thomson, T. Bonar and Co., as the Financial Agents of the Republic of Uruguay, in the presence of a Notary Public.

VI. The bearer of every Bond, except such as shall have been paid in Monte Video, shall be paid in British sterling without deduction, at the counting-house of Messrs. I. Thomson, T. Bonar and Co., in London as above mentioned, the interest and principal of the said Bond as follows:—The interest of each Bond on presentation against the surrender of the matured Coupons thereto attached. The principal of each drawn Bond upon presentation and against the surrender thereof with the Coupons not then due belonging thereto, and in case any unmatured coupons shall be missing, the value thereof shall be deducted from the principal, and the payment of interest and redemption of the Bonds will take place and be performed as well in time of war as of peace, whether the holder of the Bonds shall be the subject of a State friendly or hostile to the

Oriental Republic of Uruguay, and the Bonds of this Loan will be exempt from sequestration or confiscation, and also from all taxes, impositions, imposts or deductions whatsoever, past, present or future, either by or on the part of the Oriental Republic of Uruguay in or out of the Republic.

VII. The Oriental Republic of Uruguay do hereby declare that the service of this Loan shall be secured by delivery of the National Revenues as they are collected, and shall be secured in like manner upon the same securities and with the same powers as is already provided by former laws, and in particular upon the customs, taxes, proceeds and sources of Revenue levied, raised and received at the Custom Houses within the Republic, and upon the other securities, and with the powers granted as security for the Bonds of the Loans unified by and given in exchange for the Bonds of the present Loan, which funds, or so much thereof as shall be sufficient for the due and punctual payment of the interest and redemption of the said Loan as aforesaid, together with a further sum sufficient for a Commission of One per Cent. upon the respective amounts from time to time required for the interest, and One-half per Cent. upon the amounts required for the redemption of the Loan, shall be paid by or on the part of the Government quarterly, and every quarter, to the agents to be appointed for that purpose by Messrs. I. Thomson, T. Bonar and Co. and the first of such quarterly payments shall commence and be made on the First day of February, One thousand eight hundred and eighty-four, and shall be so paid as that Messrs. I. Thomson, T. Bonar and Co. shall from time to time receive in London, and in Monte Video, in their hands, such sums of money as may be sufficient to provide in London and in Monte Video, for every quarterly service of the Loan and interest and redemption as aforesaid, not later in each case than one calendar month next preceding the

respective quarterly days appointed for the payment of the interest and the redemption of the Loan.

VIII. The Government shall pay all drawn Bonds and Coupons that may be presented for payment in Monte Video at the fixed exchange of Four decimal Seventy Dollars to the One Pound Sterling, and may, on or before the day on which the funds for payment of the quarterly service of the Loan should be paid to the Agent of Messrs. I. Thomson, T. Bonar and Co., in Monte Video, hand to him Bonds drawn for payment or Coupons falling due on the next quarterly day fixed for payment of the interest and redemption of the Loan in lieu of the funds for the payment of such drawn Bonds and Coupons.

IX. Messrs. I. Thomson, T. Bonar and Co., will not incur any responsibility for the fidelity of any Agent whomsoever, not being of their exclusive appointment for their Agents, and the moneys received shall be at the risk of the Republic until the sums are paid to Messrs. I. Thomson, T. Bonar and Co., at their counting-house in London, or in Monte Video. And to facilitate still further the payments of the Sinking Fund and interest on the Bonds, and to diminish as much as possible the risk in the transmission of money, the Coupons on the Bonds for the current quarter, and any overdue Coupons, will be accepted as cash at par in payment of any customs and other dues and duties at all the Custom Houses of the Republic.

X. In all Contracts which the Government of the Oriental Republic of Uruguay may make with reference to its general revenues and resources, and its import and export customs, it binds itself to include the stipulations necessary to insure the punctual payments of this Loan.

XI. In order to effect the unification of so much of the External Debt of One thousand eight hundred and seventy-one issued by Messrs. I. Thomson, T. Bonar and Co. (herein

called the External Debt) as remains outstanding, the Bonds thereof at present existing will be exchanged Bond for Bond of an equivalent amount for those of this Unified Loan as and when the Bonds of the External Debt are presented to the Contractors for that purpose, and in the meantime £3,467,500, being a corresponding portion of the Bonds of the Unified Loan, shall be retained by the said Contractors, and the Bonds of the External Debt which must be exchanged for Bonds of this Loan shall be cancelled by the Contractors from time to time as and when the Bonds of the External Debt are received.

XII. In like manner, in order to effect the unification of so much of the Internal Debt as remains outstanding, the Bonds thereof at present existing will be exchanged in accordance with the Conventions of the Twenty-eighth June One thousand eight hundred and eighty-three, and of sixth July One thousand eight hundred and eighty-three, made between the Executive and the Representatives of the Internal Bondholders, and in the meantime £6,808,500, being a corresponding portion of the Bonds of the Unified Loan, shall be retained by the Contractors, and the Bonds of the Internal Debt which may be exchanged for Bonds of the Unified Loan shall be cancelled by the Contractors or their Delegate from time to time as and when the Bonds of the Internal Debt are received, and for this purpose the Contractors shall deliver the Bonds of the Unified Loan destined for that purpose to the Government that shall also superintend the cancellation in Monte Video; and the Contractors shall be discharged from all liability by his receipt for the said Bonds of the Unified Loan, and by his Certificate in the aforesaid cancellation made in Monte Video of the Bonds of the Internal Debt.

XIII. The residue of the Unified Bonds being eight hundred and fifty-one thousand pounds nominal value, shall be handed by the said Messrs. I. Thomson, T. Bonar and Co.

to the Bank of England or any other that may be selected, on behalf of the Government of the Republic.

XIV. In the event of a National Bank being constituted, in pursuance of the provisions of the said law of the 23rd April, 1883, of the Republic, the Government reserves to itself the right, by arrangement with Messrs. I. Thomson, T. Bonar and Co., to transfer the service of the Loan to that bank.

XV. And we, the undersigned President and Officials of the Republic of Uruguay, in the name and on behalf of the said Republic of Uruguay, do hereby solemnly promise and engage that all the foregoing conditions and provisions shall be duly and faithfully observed and kept by the Government of the said Republic. And we further, by and on behalf of the said Republic and Nation, solemnly engage that the Revenues and securities specially hypothe-cated to the payment of interest and redemption of this Loan, shall be maintained intact under all circumstances, and that the same shall not on any pretence, in time of peace or war, be alienated therefrom, but that the same shall be set apart, received and applied, so that all the yearly dividends of this Loan shall be punctually discharged, and the redemption of this Loan shall be duly performed.

IN WITNESS WHEREOF, we, the undersigned, the President and Officials, in the name and on behalf of the Republic and Nation, have set our Sign Manuals, and affixed the Seal of the Republic hereto this Fifteenth day of November, One thousand eight hundred and eighty-three.

(Signed) MAXIMO SANTOS,  
JOSE L. TERRA,  
CARLOS DE CASTRO,  
MANUEL HERRERA Y OBES,  
MAXIMO TAJES.

# VENEZUELA.

External Issue £2,686,850, part of new Consolidated Debt of £4,000,000, of which £1,250,000 is reserved for conversion of the Internal Debt.

## Venezuelan Committee.

|                                                                      |                                        |
|----------------------------------------------------------------------|----------------------------------------|
| Admiral of the Fleet, Sir<br>Provo Wallis, G.C.B., <i>Chairman</i> . | F. Obicini, Esq.                       |
| Right Hon. E. Pleydell-<br>Bouverie, <i>Ex-officio</i> .             | Lt-General J. L. Vaughan,<br>C.B.      |
| J. W. Chater, Esq.                                                   | E. Wright, Esq.                        |
| E. Jonas, Esq.                                                       | <i>Secretary.</i><br>Hyde Clarke, Esq. |

## Trustees for the Deposit of Old Securities at the Bank of England.

Lionel N. Bonar, Esq. | J. W. Chater, Esq.

In order to carry out the Unification of the External and Internal Debts, as provided for in the Convention of January, 1880, a Decree was passed by the Venezuelan Government on the 27th December, 1882 (of which a translation was given in the last Report of the Council), to the effect that all Bonds of the Internal Debt should be sent in for conversion into the New Stock of 1881 during the first twelve days of January, 1883. This conversion, however, proved a failure, as the majority of Internal Bondholders refused to convert. In consequence, a further Decree was passed on the 10th of March, 1883, ordering the return to the holders of those Bonds which had been presented for conversion.

The Council have been in direct communication with the President during the past year, and have used every endeavour to forward a plan by which the conversion of the Internal Bonds might be effected, and so obtain the payment of the Four per Cent. Interest promised to the

External Bondholders under the Convention of January, 1880.

On the 30th of August, 1883, a Decree was passed by the National Congress, of which a copy is annexed, ordering the Unification to be effected, and providing for the payment of the expenses of that operation out of the £250,000 originally deducted from the capital of the External Debt. As this amount in new Bonds had already been handed over to the Fiscal Agent of the Republic for that purpose, the Bondholders, at a General Meeting held on the 1st of October, 1883, passed a resolution refusing to again pay for the expense of the conversion of the Internal Bonds. The Government also declare that they have no funds available for these expenses.

The Government of Venezuela represent that until the Unification of the two Debts of the Republic has taken place, the Act of Congress, confirming the arrangement of the Consolidated Debt of 1881 only authorises them to provide for the payment of interest on that Debt at the rate of 3 per cent. Remittances still continue to be made at that rate, and there does not now appear to be any prospect of the rate being increased to 4 per cent. until the portion of the Revenue of the Customs set aside for that purpose increases sufficiently to allow of this being done.

The latest Budget Returns, as given by the President in his Message, are as follows:—

|             |      |     |     |              |         |
|-------------|------|-----|-----|--------------|---------|
| Revenue     | ...  | ... | ... | B.28,974,603 | 80 cts. |
| Expenditure | .... | ... | ... | 27,873,154   |         |
| <hr/>       |      |     |     |              |         |
| Surplus     | ...  | ... | ... | B.1,101,449  | 80 cts. |

The Revenue had decreased during the year from 1st July, 1881, to 30th June, 1882, by B.487,217 89 cts.

Gold mining in Venezuela attracts the attention of

capitalists, and several new mining companies have been launched during the past year, with more or less success.

*From the Official Gazette of the United States of Venezuela of 31st August, 1883.*

[TRANSLATION.]

# THE CONGRESS OF THE UNITED STATES OF VENEZUELA,

Considering :—

That by the Fiscal Convention of the 24th January, 1880, between the Minister Plenipotentiary and Fiscal Agent of Venezuela in London and the Council of Holders of Venezuelan External Bonds in London, it was stipulated that these Bonds should bear interest from that year at the rate of 4 per cent. per annum ;

That the Law of 29th May, 1880, sanctioning the said Convention, with modifications accepted by the External Creditors of the Republic, provided that, pending the unification of their Debt with that of the Internal Bondholders, the former should only bear interest at the rate of 3 per cent. per annum ;

That in fulfilment of these instruments the Nation has religiously met all the engagements (cantidades) stipulated for, both as regards the interest at 3 per cent. and the ordinary and extraordinary expenses ;

## DECREES :—

ART. 1.—As soon as the two quotas of 27 per cent. each of the 40 units of the Customs Revenue, which together constitute the rightful and special fund of Public Credit, shall cover the amount of interest at 4 per cent. on the principal of the External and Internal Debts and Charges thereon, the unification spoken of in the Fiscal Convention of the 24th of January, 1880, shall take place.

ART. 2.—If before the proceeds of said Special Fund (Apartados) suffices to cover the service of both Debts at 4 per cent. per annum, the Internal and External Creditors should agree to anticipate the unification, and if in order to complete the sum required for said service there should be a deficiency not exceeding the amount of 192,040 bolivares (francs), the Executive power is hereby authorised to increase the Special Fund (Apartados) of Public Credit, and to make good that amount from the surplus derivable from other branches of the Federal revenue.

ART. 3.—In whatever manner the unification may be carried out, either because the proceeds of the Special Fund (Apartados) should suffice for the purpose, or by reason of an increase in the estimates, the unification shall not comprise the Internal Bonds belonging to establishments of public instruction and national beneficence, which will continue as inscribed stock, bearing interest at the rate of 5 per cent. per annum.

ART. 4.—The rest of the capital of the Consolidated National Debt, bearing interest in the hands of private individuals, shall be calculated for the purpose of conversion into Bonds of the Unified Debt at the rate of 25 bolivares (francs) 25 cents per pound sterling, in conformity with the law.

ART. 5.—The capital amount of the Unified Debt shall bear 4 per cent. interest per annum from the half-year in which the unification takes place, and the said interest and expenses in London shall be met out of the proceeds of the two special funds of the public credit.

ART. 6.—The Coupon of the Unified Debt shall be payable in London as well as in Carácas by the Agents of the Committee, at the option of the Bondholders.

ART. 7.—The unification shall be carried out in the most absolute manner, so that the Bonds which may be issued in

virtue of this Decree, shall be in form, dimensions, signatures, stamps, series, numbering and general appearance, in privileges and other respects, the regular and natural continuation of the External Bonds of Venezuela in actual circulation, and so that all the Debt of the Republic shall be considered as external.

ART. 8.—All these Bonds, those already in circulation as well as those to be issued in virtue of this Decree, shall have a copy of it printed on the back.

ART. 9.—The Old Debt deposited in the Bank of England shall be returned to the Government of Venezuela, as well as the Internal Debt after conversion, to be burnt in Carácas according to the law, so that no vestige of the former issues shall remain.

ART. 10.—The expenses which may be occasioned by said unification shall be considered as part of the negotiation stipulated in the fiscal convention, and for which expenses External Bonds for £250,000 were issued.

ART. 11.—If by the 1st of October of the present year the Internal and External Creditors shall not have agreed upon the unification in accordance with Article 2 of this Decree, it shall not be allowable to carry it out after that date, except under the provisions of Article 1.

ART. 12.—The Board constituted by Art. 2 of the Fiscal Convention shall proceed to effect the unification in question within the term reckoned from the receipt of the Bonds of the Internal Debt until the 31st May, 1884. All Bonds of the said Debt not presented for unification up to that date shall be null and void.

ART. 13.—So long as the unification shall not have been effected, the Bonds of the Consolidated External Debt shall continue to bear interest at 3 per Cent., and those of the Consolidated Internal Debt at 5 per Cent.

Given in the Palace of the Federal Corps Legislatif at Carácas, on the 9th August, 1883, Twentieth year of the Constitution, and Twenty-fifth of the Federation.

(Signed) J. P. ROJAS PAUL,  
*President of the Senate.*

FRANCISCO DIAZ GRAFE,  
*President of the Chamber of Deputies.*

(Countersigned) M. CABALLERO,  
*Secretary of the Senate.*

F. NICOMEDES RAMIREZ,  
*Secretary of the Chamber of Deputies.*

Federal Palace at Carácas, 30th August, 1883. Twentieth year of the Constitution, and Twenty-fifth of the Federation.

Let it be carried out and put into execution.

GUZMAN BLANCO.

(Countersigned) NICOLAS D. DELGADO,  
*Minister of Public Credit.*

## VIRGINIA.

Five per Cent. Sterling Bonds, 1854.  
 Six per Cent. Dollar Bonds, Series A, 1871.  
 Six per Cent. Dollar Bonds, "Peelers," 1872.  
 Ten-Forty Dollar Bonds, 1879.

## Virginian Committee.

|                                                              |                           |
|--------------------------------------------------------------|---------------------------|
| The Right Hon. E. Pleydell-<br>Bouverie, <i>Ex-officio</i> . | Henry Joachim, Esq.       |
| H. R. Beeton, Esq.                                           | Arthur Kimber, Esq.       |
| Jas. B. Blamey, Esq.                                         | Silvester L'Amy, Esq.     |
| Walter Chinnery, Esq.                                        | Robt. P. Laurie, Esq.     |
| S. Claris, Esq.                                              | G. I. Leon, Esq.          |
| Charles Clark, Esq.                                          | J. L. Mieville, Esq.      |
| David Clark, Esq.                                            | Samuel Montagu, Esq.      |
| J. C. Conybeare, Esq.                                        | D. Oppenheimer, Esq.      |
| John Dabbs, Esq.                                             | M. J. O'Shaughnessy, Esq. |
| Joseph Hankey Dobree, Esq.                                   | Geo. Penson, Esq.         |
| W. Duncan, Esq.                                              | Giuseppe A. Pugno, Esq.   |
| Granville Farquhar, Esq.                                     | Geo. T. Rait, Esq.        |
| C. E. Flower, Esq.                                           | Geo. Richardson, Esq.     |
| John Ford, Esq.                                              | Captain W. W. Ross.       |
| Commissary-General R. M.<br>Gardiner.                        | C. Satterthwaite, Esq.    |
| R. H. Glyn, Esq.                                             | W. Trotter, Esq.          |
| John Alers Hankey, Esq.                                      | Geo. Yule, Esq.           |
| Arthur Horrigan, Esq.                                        |                           |
| E. Humphreys, Esq.                                           |                           |

*Secretary.*

Hyde Clarke, Esq.

The legal contest in which the Committee have been engaged during the last two years, in order to establish the rights of the holders of Virginia Bonds to compel the acceptance of coupons in the payment of State taxes, has been carried on unremittingly, since the issue of the last

report, by means of various suits instituted in the law courts of the State, and of the United States; but it has not yet arrived at a definite conclusion.

At the beginning of March, 1883, the suit of "*Antoni versus Greenhow*," which was meant to test the constitutional validity of the Act of Virginia, called the "Coupon Killer" Act, was argued, on appeal, before the Supreme Court of the United States, and a decision given, which, on first consideration, was deemed adverse to the Bondholders, but which did, in fact, decide merely that the process called mandamus would not lie against the collectors of the State Revenue, to compel them to receive coupons for cash.

Shortly after this decision was rendered, the Baltimore and Ohio Railroad Company sought to test its efficiency by tendering large quantities of coupons in payment of the taxes they owed the State. These were refused by the collectors, and the property of the Railroad Company was seized by the State. This ended in an injunction being granted last May by the United States Circuit Court, stopping the sale by the State officer of the company's rolling-stock. This decision was a very important one, in furtherance of the Bondholders' interests. At the same time, the hearing of a case brought by the Agent and legal adviser of the Committee, Mr. Royall, in the Virginia State Court, resulted in the issue of a mandamus to compel the acceptance, by the Treasurer, of coupons presented in payment of taxes. Both these cases will be decided on the appeal now pending in the United States Supreme Court.

In September the Bondholders gained another step by a decision rendered in the United States Circuit Court, which held, firstly, that the coupons were legal tender; secondly, that officers would be restrained from levying on the tax-

payer's property after the tender of coupons had been made; and, thirdly, that without regard to the citizenship of the parties bringing the suits, the Circuit Court had the right to entertain them.

The joint resolution recently passed by the Legislature of Virginia, declaring the Riddleberger Bill final, is susceptible of different interpretations, and, as a fact, is variously interpreted by persons equally competent to form an opinion on the matter. By some, the refusal to sanction further legislation, or, in other words, to complicate further the question already abounding in elements of contention, is considered favourable. By others it is argued that the reassertion and, so to speak, re-enactment of a Bill which amounts virtually to the repudiation of the Debt, deals a death-blow to the hopes of the Bondholders, so far, at least, as the power of the Legislature of Virginia is concerned.

Fortunately, the decision of the question between the State and its creditors now rests with a higher and more impartial tribunal—the Supreme Court of the United States—a tribunal whose decisions command general respect, and which observes the plain principles of law and justice, and in the rectitude of whose proceedings confidence may be placed.

Appended is an extract from the text of the judgment of the Supreme Court, delivered on the 7th January, 1884, in the case of *Smith v. Greenhow*, reversing on appeal a decision of the Circuit Court of the United States, which remitted for determination by the State Court a claim brought for damages sustained by the seizure of goods after tender had been made of coupons in payment of taxes for a less amount than \$500, in which cases it was claimed that the State Courts alone had jurisdiction.

## [EXTRACT.]

“The ground on which the order of the Court below, remanding the cause, was placed, seems to have been that no federal question, such as is necessary to confer jurisdiction in the case upon the courts of the United States, appears to be necessarily involved in the issue raised by the pleadings. In this we think the Court erred. The replication alleges that the coupons tendered contained an express promise, as required by law, of the State of Virginia, that they should be received in payment of all taxes due to the State. The rejoinder is that the Act of January 26, 1882, subsequently passed, expressly forbids the defendant from receiving such coupons in payment of taxes. The demurrer in effect denies the validity of that law, and upon the record no ground of its invalidity can be inferred, except that it is avoided by the operation of that provision of the Constitution of the United States which forbids any State from passing laws which impair the obligation of contracts. It therefore sufficiently appears upon the record, that the plaintiff's case arises under the Constitution of the United States, within the rule as laid down in *Bridge Proprietors v. Hoboken Company*, 1 Wall. 116-142.

“There is a ground for remanding the cause suggested by the record, but not sufficiently apparent to justify us in resorting to it to support the action of the circuit court. The value of the property taken is stated in the declaration to be but one hundred dollars, although the damages for the alleged trespass are laid at six thousand dollars. The petition for removal does not allege the sum or value of the matter in dispute otherwise than by the statement of the amount of the claim for damages. We cannot, of course, assume, as a matter of law, that the amount laid, or a less amount, greater than five hundred dollars, is not recover-

“able upon the case stated in the declaration, and cannot  
 “therefore justify the order remanding the cause, on the  
 “ground that the matter in dispute does not exceed the sum  
 “or value of five hundred dollars. But if the circuit court  
 “had found, as matter of fact, that the amount of damages  
 “stated in the declaration was colorable, and had been laid  
 “beyond the amount of a reasonable expectation of recovery,  
 “for the purpose of creating a case removable under the act  
 “of Congress, so that, in the words of the 5th section of the  
 “act of 1875, it appeared that the suit ‘did not really and  
 “‘substantially involve a dispute or controversy properly  
 “‘within the jurisdiction of said circuit court,’ the order re-  
 “manding it to the State court could have been sustained.

“The order of the circuit court remanding the cause to  
 “the State court is reversed, and the cause is reinstated in  
 “that court, with directions to proceed therein in con-  
 “formity with law.”

### LIBRARY.

The additions to the Library in 1883, chiefly consisting of contributions made by the Executive Departments of the undermentioned countries, amount to 165 volumes, and the Council desire to express their sense of obligation to those to whose liberal courtesy they owe the possession of many books, which otherwise could not have been obtained.

The contributions were made by Bavaria, Belgium, Brazil, Canada, Chili, Egypt, France, Guatemala, Japan, Portugal, Spain, Turkey, the United States, Tasmania, Victoria as well as by the British Foreign Office.